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11 Latin Nations Agree to Consult On Foreign Debt

Compiled by Our Staff From Dispatches

CARTAGENA, Colombia —

Major Latin American governments have agreed on a permanent system of consultation on their foreign debt and inviting the major industrial countries to join them in negotiations on debt, trade and development.

Foreign and finance ministers of 11 nations, meeting here at the two-day conference, emphasized Friday that they were not setting up a cartel to withhold payments. The 11 nations include the Third World's three largest debtors — Brazil, Mexico and Argentina — and represent about \$290 billion of Latin America's estimated \$350-billion debt.

Nevertheless, they called for a new meeting at the same high level to be held in Buenos Aires before the annual meeting in September of the International Monetary Fund and the World Bank in Washington. Argentina was designated as the temporary secretariat to prepare for the next meeting of the Latin American group.

Officials in Cartagena said that, by setting up the consultative mechanism, they had raised the debt to a political matter among themselves and established an instrument to do the same with the northern industrial nations. The Latin American countries insist that the debt is no longer a technical financial matter between each nation and its creditors.

They announced that they would act jointly through the General Agreement on Trade and Tariffs. The final communiqué said that the Latin American representatives on the Development Assistance Committee of the World Bank, which also meets in September, would propose the creation of a task force,

including representatives of the industrial countries, to "analyze the foreign debt problem."

Dante Caputo, Argentina's foreign minister, said that the meeting had achieved a consensus on "what we Latin Americans think should be the basis for a negotiation" with the governments of the creditor countries on debt, trade and economic development.

The communiqué included a detailed list of "negotiating guidelines" that should be applied to debt and trade negotiations. They included the following:

- Banks will use an interest rate for Latin American debts that would be no higher than their real costs.

- A reduction of bank fees.
- An extension of payment periods for loans by both banks and governments, along with a reduction of interest rates on the government loans.

- The governments will not agree to take over the risks the banks assumed in lending money.

- More money for the World Bank, the IMF and the Inter-American Development Bank, all of which make loans at lower rates than the banks.

- Reform of the IMF, so that in making conditions for loans it first takes into account the need to increase production and jobs.

- Stabilization of prices that poor countries get for their products.

- Rich countries will be urged to eliminate tariffs and other barriers to imports from poor countries.

Any negotiations with the creditor countries, which held a summit meeting in London two weeks ago, would require a positive response to the Latin American proposals. The participants in Cartagena said

(Continued on Page 2, Col. 4)

EC Officials Draft Plan For Britain Summit to Open In France Today

By Axel Krause
International Herald Tribune

FONTAINEBLEAU, France —

Outlines of a new compromise proposal aimed at ending the deadlock over Britain's contribution to the European Community emerged on Sunday as senior officials drafting the summit meeting of EC leaders which begins here Monday afternoon.

The proposal, expected to be presented by President François Mitterrand of France, would involve concessions by Britain and its EC partners, notably West Germany, which is expected to play a key role in the two-day summit.

Meeting with reporters Sunday evening, Roland Dumas, France's minister for European affairs, said there is a "certain willingness on the part of summit participants to find a solution."

The compromise would involve a modification, probably a reduction, in Britain's previous demand to cut its net contribution to the EC budget by 1 billion European Currency Units in 1984 and by about 1.25 billion ECUs in 1985 and 1986. The previous EC summit meeting in Brussels last March ended in deadlock over the issue, mainly because the EC leaders stuck to their offer of a 1-billion ECU reduction in Britain's contribution over a five-year period.

Several governments have indicated a willingness to increase their offer somewhat, but on the condition that Prime Minister Margaret Thatcher of Britain also display what a senior diplomat described as flexibility, noting that the difference that led to the previous failure involved 250 million ECUs.

Britain's current contribution is about 2 billion ECUs to the EC budget annually, ranking second as a net contributor after West Germany, which pays about 2.5 billion ECUs. Mrs. Thatcher has repeatedly argued that a "lasting system" aimed at cutting Britain's payments is justified, because the country ranks seventh among the EC countries on the basis of per capita GNP.

Knowledgeable diplomatic sources in EC capitals said that the proposal also hinges on willingness by the West German chancellor, Helmut Kohl, to agree to pay a substantially larger share of financing the cutback in British payments.

There is considerable speculation that Mr. Kohl may ask support for a controversial plan to subsidize West German farmers to offset an agricultural reform reached at the summit. The reform involves dismantling monetary compensatory amounts, or MCAs — a complex system of EC border taxes and subsidies.

Officials drafting the budget plan in Paris, Bonn and London were highly cautious in assessing the chances for success in resolving the British budget issue.

Britain's foreign secretary, Sir Geoffrey Howe, said Sunday that his government is looking for success at Fontainebleau, adding that a compromise on the budget issue is possible "if our partners are willing to reciprocate our flexibility."

Mr. Mitterrand is expected to be seeking to force summit attention on political and technological cooperation, including foreign policy and defense issues, even if the British budget issue is not resolved. Such a sidestepping of the British question has already been criticized by West German, Dutch and EC Commission officials.

Noting that the EC treaty forbids national subsidies that would distort competition, the EC Commission last Monday refused permission for West Germany to increase subsidies as compensation for the MCA reform.



Demonstrators in central Paris protesting French government measures to give the state more control over private schools. The banner reads, "Private schools will live."

Thousands Protest French School Reform

The Associated Press

PARIS — Hundreds of thousands of people

marched through Paris Sunday in a demonstration to show their disapproval of a new measure passed by the National Assembly to reform the nation's private schools.

The opponents of the bill, which has yet to be reviewed by the Senate, believe it is an encroachment on the freedom of education and the first step toward a complete integration of France's public and private school systems.

Two million of the country's 12 million school children, nearly 16 percent, attend private schools, 94 percent of which are Roman Catholic. Though called private schools, they still receive substantial public funding.

Organizers said that, according to their observers, at least 1.5 million people participated in the march, which lasted more than 10 hours. The Interior Ministry, however, estimated the number

at 850,000 by 7 P.M. before the last of the marchers had reached the dispersal point.

Departing from points in the north, west and south of Paris, four separate lines of marchers wound their way through the capital to the Place de la Bastille, cradle of the French Revolution.

They dispersed as they arrived.

Thousands of special riot police and gendarmes remained out of sight in buses placed around the city, leaving security to about 25,000 persons designated by the march's organizers and spread out along the streets wearing orange armbands.

No violence was reported.

Many opposition political figures who had fought against the bill in Parliament joined in the march. They included Jacques Chirac, president of the neo-Gaullist Rally for the Republic; Simone Veil of the centrist Union for French Democracy; former President Valéry Giscard d'Estaing; and Jean Lecanuet, head of the Union for French Democracy.

China Is Said to Tell U.S. It Will Give No New Assurances on Nuclear Aid

By Leslie H. Gelb
New York Times Service

WASHINGTON — China has informed the Reagan administration privately that it will offer no additional assurances beyond its public pledges on nuclear nonproliferation, according to administration officials.

The Chinese were said to have told U.S. envoys that they had taken a "stand of principle" that the public word of Prime Minister Zhao Ziyang was at stake, and that, as an official put it, "Either you believe us or you don't."

Officials said Friday that the administration was trying, through quiet diplomacy, to work out some arrangement beyond these unilateral declarations. They said that failure to do so would jeopardize the Chinese-U.S. nuclear cooperation pact.

These disclosures came against the backdrop of reports of Chinese

aid for Pakistan's suspected nuclear weapons program. Administration officials and congressional sources said Thursday that the administration has evidence indicating that China might be helping Pakistan develop weapons-grade uranium.

Meanwhile, Larry M. Speakes, the White House spokesman, said Friday that the administration was "hopeful" the Chinese would satisfy U.S. concerns about nuclear proliferation and that President Ronald Reagan would ask for congressional approval of the agreement even if there was no chance for action before Congress adjourned.

But he went on to say that the pact would be submitted to Congress only after "we are satisfied there's a mutual understanding between us and the Chinese, and we're able to meet the requirements of our law." The law requires that countries seeking to buy U.S. nu-

clear technology and hardware first agree to guarantees and procedures to prevent the transfer of the material and knowledge to other countries without U.S. approval.

Other administration officials said the White House and State Department were weighing whether to sidestep the issue until after the November elections or until next year. They said they doubted the Chinese could be moved on what they considered a matter of "principle."

Without further guarantees from China, the officials said they felt that the pact could not pass congressional scrutiny. By law, the administration must submit nuclear cooperation pacts to Congress, which has 60 days to accept or reject them.

Mr. Reagan and Mr. Zhao initiated the agreement during the president's trip to China in April. It was touted then as the centerpiece

(Continued on Page 2, Col. 2)

House, Senate Agree on 'Down Payment' for U.S. Deficits

By Tom Redburn
Los Angeles Times Service

WASHINGTON — House and Senate negotiators, weary after more than 21 hours of haggling, have agreed on a three-year package of about \$50 billion in tax increases and more than \$11 billion in spending cuts.

The agreement reached Saturday is the keystone of the congressional promise to deliver an election-year "down payment" to reduce projected budget deficits.

The plan includes hundreds of complex provisions mostly affecting business and wealthy investors. The widest impact on individuals comes from increases in liquor taxes, the continuation of federal tele-

phone taxes, and changes in Medicare health insurance rules that will boost monthly premiums for the elderly and freeze Medicare payments to doctors for 15 months.

As part of the compromise approved Saturday, however, the conferees rejected an effort to keep cigarette taxes from being cut in half next year.

They also turned back administration proposals to expand individual Retirement Accounts for nonworking spouses and to establish "enterprise zones" to provide tax breaks to businesses that invest in depressed inner city and rural areas.

In a major new tax break for investors, the negotiators voted to cut the long-term capital gains holding period from one year to six months. This will go into effect immediately and last through 1987, allowing investment gains held at least six months to be taxed at a maximum rate of 20 percent instead of 30 percent.

The conference compromise will be voted on this week by the full House and Senate, and is expected to pass. President Ronald Reagan has indicated he will sign the bill. However, differences between the two houses on defense spending are still unresolved and may not be settled before Congress begins its three-week recess at the end of this week.

The compromise package is likely to have much less effect on future budget deficits and interest rates than Congress and President Reagan anticipated earlier this year. Rising interest rates have boosted the cost of financing the \$1.5 trillion federal debt and already eaten into much of the projected savings. Even with the package, deficits are expected to average about \$200 billion a year over the next three years.

The progress of the tax bill was closely followed by hundreds of lobbyists. The nearly 300 changes in the tax code were largely aimed at obscure provisions affecting narrow groups instead of imposing any major new levy.

The bill essentially sets a com-

promise in which House Democrats agreed to accept most of the spending reductions in Medicare and welfare proposed by the Senate Republicans in return for Senate agreement to drop many of the approximately \$10 billion in tax breaks they originally wanted.

House Democrats did win a new program to provide health care for many poor pregnant women and their families who are excluded from Medicaid; they also got an expansion of the \$500 tax credit for the working poor. Republicans in the Senate achieved a permanent waiver of billions of dollars in deferred corporate taxes for export sales.

These are some of the decisions made behind closed doors early Saturday morning.

- Adding about 35 cents to the cost of an average fifth of liquor, effective Oct. 1, but dropping a proposal to set the cigarette tax at 12 cents a pack but is scheduled to drop to 8 cents on Sept. 30, 1985. Although he was not a member of the negotiating team, Senator Jesse Helms, Republican of North Carolina, warned he would filibuster the compromise bill if it did not allow the cigarette tax to be reduced on schedule.

- Approval of a House plan to limit the use of tax-free industrial development bonds for private purposes by imposing a state-by-state annual volume cap of \$150 per state resident. Small states will be allowed to spend a minimum of \$200 million a year despite the limitation. A "grandfather clause" excludes dozens of current proposals from the limitation.

- Extending the use of tax-free mortgage bonds for four more years. The bill places a dollar limit on the bonds based on past use.

- A cut in the tax break for real estate investment. This was achieved by stretching out depreciation deductions from the current 15 years to 18 years. The change is retroactive to March 15, 1984.

- An increase of six cents a gallon in the federal tax on truck diesel fuel, raising it to 15 cents per gallon for at least four years. The tax increase would be largely offset for truckers by a decrease in highway taxes for heavy trucks.

INSIDE

BY HENRY A. KISSINGER

■ A series by the former secretary of state starts today, with an examination of world debt and what to do about it. Page 5.

■ The heart produces hormone-like substances, researchers have found. Page 6.

BUSINESS/FINANCE

■ Walt Disney, in a surprise move, said that Roy Disney, a former director, had been elected vice chairman. Page 7.

TOMORROW

■ Mexican political leaders are angry attacking the immigration bill approved in the U.S. House of Representatives.

TO OUR READERS

The International Herald Tribune's 1984 readership survey appears today, for the last time. We would appreciate responses from readers who have not already filled out the form.



Thomas R. Pickering



Roberto d'Aubuisson

U.S. Is Said to Foil Plan To Kill Salvador Envoy

By James Lemoyne
New York Times Service

SAN SALVADOR — U.S. intelligence sources uncovered a plot by rightist Salvadoran extremists to kill the U.S. ambassador here last month, according to an administration official in Washington and two sources in El Salvador.

The sources said Friday that Roberto d'Aubuisson, leader of the National Republican Alliance, known as Arena, was among a small group of party members who were said to have planned to kill the ambassador, Thomas R. Pickering.

However, administration officials with access to intelligence data from El Salvador said Sunday that Mr. d'Aubuisson was not directly involved in the plot to kill Mr. Pickering, although the plotters were associates of Mr. d'Aubuisson and he had knowledge of their plans.

The U.S. Embassy here officially refused to comment on the report. Mr. Pickering is in the United States on vacation and could not be reached for comment. Mr. d'Aubuisson could not be reached.

[On Saturday, a leader of the d'Aubuisson party denied the reports and called them a campaign by "officials and journalists who are playing the Communist game in order to discredit our party," United Press International reported.]

The National Republican Alliance party members were said to have planned to kill Mr. Pickering because they were outraged by reported CIA support for Mr. d'Aubuisson's opponents in two rounds of presidential elections in March and early May. Mr. d'Aubuisson lost the election to José Napoleón Duarte, head of the Christian Democratic Party, who took office earlier this month.

On learning of the plan last month, the Reagan administration sent a special envoy, General Vernon A. Walters, to El Salvador to tell Mr. d'Aubuisson of "serious consequences" if it was carried out, according to the administration of-

ficial and the sources in El Salvador.

General Walters, according to one of the sources in El Salvador, met with Mr. d'Aubuisson on May 18 at the U.S. ambassador's residence here. Mr. Pickering was also reported to be at the meeting.

"Walters read the riot act," the official said. "The message was that we knew what was going on and it had better not happen."

General Walters, who could not be reached for comment, was also said to have told Mr. d'Aubuisson that he had a place in Salvadoran politics as an opposition leader if he chose to take it.

While Mr. Walters, a former deputy director of the Central Intelligence Agency, warned Mr. d'Aubuisson, U.S. Embassy staff members here were told of an increased risk of attack and were asked to take special measures to safeguard their security, according to one of the sources in El Salvador.

According to one of the sources in El Salvador, a letter from Senator Jesse Helms, Republican of North Carolina, complaining of reported U.S. aid to Mr. d'Aubuisson's opponents and calling for Mr. Pickering's recall contributed to the anger of members of the d'Aubuisson party.

On learning of the plot, President Ronald Reagan reportedly called Senator Helms to the White House and told him that he had acted irresponsibly, according to one of the sources in El Salvador.

[Mr. Helms said in an interview Saturday with a North Carolina newspaper that reports linking Mr. d'Aubuisson to the assassination plot were "absolute falsehood." The Associated Press reported. He said, "This is all a fabrication, insofar as I've been able to check, by the various newspapers."

As for the reports that Mr. Reagan had summoned him for criticism, Mr. Helms said, "That's a word of truth in it, insofar as the president calling me down to the White House and chiding me."

NASA Will Fall Short of 1984 Goals

New Shuttle Is Taking Off With a Reduced Payload

By John Noble Wilford
New York Times Service

CAPE CANAVERAL, Florida —

As preparations continued for the maiden flight Monday of the third U.S. space shuttle, Discovery, it was clear that no matter how successful the mission, the space program would not achieve its goals for 1984.

When the year began, the National Aeronautics and Space Administration planned 10 missions for the year. The first two took place in February and April. But officials said that because of assorted rocket failures and other scheduling problems, the best they could hope for was five more missions this year.

Moreover, Discovery, set to be launched Monday morning, will be going up without one of its revenue-producing projects. Telesat of Canada withdrew its Anik commun-

ications satellite from the cargo several months ago when NASA was unable to assure customers that the launching rocket for the satellite would be ready. Similar rockets misfired on the February mission and sent satellites into incorrect orbits.

Recent tests and two successful firings apparently have restored confidence in the small solid-fuel rockets, known as payload-assist modules. But this came too late to prepare Canada's Anik satellite for the mission. A decision must be made shortly on whether to go ahead with plans to launch two other communications satellites, both of which use the payload-assist modules, on Discovery's second flight, in late August.

Without the Anik, Discovery's 60-foot-long (18-meter) cargo bay on the first flight will be only 70 percent occupied. Its primary cargo

is another communications satellite, Leasat-1, which is to be deployed on the second day of the flight. The satellite, owned by the Hughes Aircraft Co. and leased to the U.S. Navy, has its own rocket for reaching a higher working orbit, and so it does not depend on the suspect rocket system.

The six-member crew also will be responsible for tests of a mapping camera and a 105-foot-high (32-meter) solar-energy panel that will be deployed, retracted and restored several times in the seven-day mission. Such panels may be used to generate electricity for future space stations.

Officials at the Kennedy Space Center here said that preparations were proceeding smoothly toward a scheduled launching at 8:43 A.M. Monday. Rain and thunderstorms moved into the area Saturday.

(Continued on Page 2, Col. 1)



Henry W. Hartsfield Jr., commander of the space shuttle Discovery, spoke to reporters while preparing for the launch Monday. Crew members are, from left: Charles D. Walker, Judith A. Resnick, Richard M. Mullane, Michael J. Coats and Steven A. Hawley.

Lebanese Cabinet Approves Army Reorganization

BEIRUT — Lebanon's cabinet has approved a sweeping reorganization of the army and other measures in an effort to end nine years of civil war. The changes were announced by Prime Minister Rashid Karami, who said that a security plan would be put into effect to reunify Beirut.

Mr. Karami said that under the plan, the Green Line that divides the city into predominantly Christian east and Muslim west sectors would be eliminated, the crossing points between the two halves would be reopened and Beirut's international airport and harbor would also be reopened.

He did not say when the plan would be put into effect.

Under the army reorganization, there will be a new commander and a six-man military council representing different religious groups.

Mr. Karami made the announcement after the plan was approved by the cabinet Saturday during a six-hour meeting at the summer home of President Amin Gemayel in Bikfeya, a mountain resort nine miles (14.4 kilometers) northeast of Beirut.

The military changes have as their main objective the setting up of parity between Muslims and Christians in the military ranks.

Lebanon's previous army disintegrated during the factional fighting of the past few months. While 60 percent of its 37,000 members were Muslim, 60 percent of the senior officers and commanders were Christians.

The new army commander is General Michel Aoun, who replaces General Ibrahim Tannous. General Aoun, like General Tannous, is a Maronite Christian, but under the new defense law approved by the cabinet on Saturday he will not have the extensive powers of his predecessor.

From now on, military decisions will be made collectively by the military council. The council includes, in addition to the army commander at its head, one Sunni Muslim officer, one Shiite Muslim officer, the Druze chief of staff, a Greek Orthodox officer and a Greek Catholic officer.

The cabinet includes the leaders of the warring Christian and Muslim factions. Pierre Gemayel, the head of the Christian Phalangist party and father of the president, did not attend Saturday's cabinet meeting because of what Beirut radio said was a sudden illness.

A Shiite police officer, Colonel Mustafa Nasser, has been appointed head of a new National Security Department. He will answer directly to the cabinet and not to the army commander. A Maronite Christian officer, Colonel Simon Qasbi, is to remain as army chief of intelligence but his office will cover only military matters.

The interior minister, Joseph Skaf, said Saturday that Christian soldiers would join army units in Muslim West Beirut while Muslim soldiers would report back to their units in Christian East Beirut. This way it is hoped that a balance between the different religious groups will be ensured and the army will then take charge of law and order in Beirut and its environs, he said.

Only Muslim soldiers remained in West Beirut after Muslim militia forces seized control of the area in February. Christian militia groups have been in virtual control of East Beirut since then, while Christian contingents of the army have been entrenched on the eastern side of the Green Line.

The military changes were a compromise between rival Lebanese factions and were worked out after a visit to Beirut on Monday by Foreign Minister Abdel Halim Khaddam of Syria.

Syria has been the main political broker in the Lebanese crisis since March, when Mr. Gemayel scrapped the troop withdrawal agreement that Lebanon concluded with Israel a year ago. The policy shift came after military gains against Mr. Gemayel and the Lebanese Army by Syrian-backed Druze and Shiite Muslim militia forces.

General Aoun, who was Mr. Gemayel's choice as army commander, has a reputation as a tough officer.

Two Muslim cabinet ministers, Nabih Barudi and Walid Jumblatt, promised to order their militiamen off the streets of West Beirut and

make way for the army if the security plan is applied simultaneously throughout the capital.

Mr. Barudi heads the Shiite Amal movement, while Mr. Jumblatt is leader of the Druze Progressive Socialist Party.

In the Christian half of the capital, the militia in control there, known as the Lebanese Forces, had already said it would not give up its positions and rejected reunifying the army along old lines.

Mr. Gemayel was reported to have promised to gain the cooperation of the Christian militia, which is dominated by his father's Phalangist party.



Rashid Karami

raising the weekend casualty toll to four killed and 57 wounded.

A Libyan diplomat who was kidnapped by four gunmen in West Beirut on Saturday remained missing, Libyan Embassy sources said late Saturday that the diplomat was safe and alive and the issue should be resolved within 24 hours.

WORLD BRIEFS

Welsh Farmers Hurl Eggs at Thatcher

PORTHCAWL, Wales (AP) — About 100 Welsh farmers protesting cuts in milk production hurled food at the party of Prime Minister Margaret Thatcher, splattering egg on her face and dress, and about 300 wives of striking coal miners joined in the jeering, witnesses reported.

The barrage from the farmers, assembled Saturday to protest milk cuts imposed by the European Community, came as Mrs. Thatcher left a Conservative Party convention, according to the Press Association.

The agency said Mrs. Thatcher, egg dripping from her clothes, appeared untroubled as she spoke briefly with party officials before being hustled into a limousine.

Deng Rejects Advice on Hong Kong

BEIJING (AP) — China's senior leader, Deng Xiaoping, told three advisers to the Hong Kong government Saturday that they had no role in how China reincorporates the British colony in 1997 when it resumes its sovereignty.

Mr. Deng, chairman of the Communist Party Central Advisory Commission, also rejected a contention by members of the Hong Kong Executive Council, an advisory body appointed by the British governor, that they reflected the views of residents of the colony.

"The whole tone was that Deng was telling them off," said a Hong Kong journalist who was at the meeting. Another Hong Kong journalist said the three council members, who were invited by the Beijing government, were "absolutely humiliated."

Another Aquino Investigator Resigns

MANILA (UPI) — The president of the Philippine National Bar Association has resigned from an official investigation into the assassination of Benigno S. Aquino Jr., the opposition leader.

Raul Gonzales, in his resignation letter, said, "I feel I can no longer continue participating in a proceeding with so much public interest at stake when I no longer believe in its credibility and its objectivity."

Mr. Gonzales was the last of three members of a panel of interrogators named to assist the five-member commission. The other two resigned earlier. The commission is scheduled to conclude its investigation in about a week.

U.S., Nicaragua May Hold New Talks

MANAGUA (AP) — Interior Minister Tomas Borge Martinez says that Nicaraguan and U.S. representatives will hold a new meeting on Central American problems "in the next few days." The Mexican news service Notimex said the talks may take place in Mexico, possibly as early as Monday night.

Such a meeting would be the first between U.S. and Nicaraguan diplomats since Secretary of State George P. Shultz made a surprise visit to Managua on June 1. Mr. Shultz met with Daniel Ortega Saavedra, coordinator of the Sandinista junta, and they announced agreement to hold future talks at an unspecified time.

Mr. Borge said Saturday that the planned meeting could be "a publicity stunt meant to gain votes in the coming United States elections," but added that "the course of the conversations to be held in the next few days will clarify everything." A U.S. spokesman declined to confirm or deny that a meeting would be held soon.

Editor Confined to West Bank Town

JERUSALEM (WP) — The Israeli military authorities ordered a Palestinian journalist confined to the West Bank city of Ramallah for six months, preventing him from taking part in a U.S. State Department-sponsored tour of the United States to observe the political system and presidential election.

The order was served Sunday on Radwan Abu Ayyash, an editor of the Arab Jerusalem-based Palestine Press Service and the vice president of the Arab Journalists' Association in the occupied West Bank. Under the order, Mr. Abu Ayyash must remain within the confines of Ramallah, his home, and report daily to the police authorities there.

Israeli military officials said the order was issued for security reasons but did not elaborate. However, a portion of the arrest order was made public by the Palestine Press Service and confirmed by the army described Mr. Abu Ayyash as a senior activist in the Palestine Liberation Organization. He denied the assertion.

Bahamian Cites Payments to Findling

MIAMI (AP) — A prominent Bahamian businessman, under investigation for alleged illegal dealings on behalf of American drug smugglers, says he paid Prime Minister Lynden O. Findling at least \$333,000 over the past four years out of a sense of "obligation" and friendship, a report says.

Everette Bannister, a longtime friend and political ally of the Bahamian prime minister, testified Friday before the Royal Commission of Inquiry in Nassau that there was nothing illegal about the payments. The Miami Herald reported Saturday. He denied that the money came from drug smugglers.

Mr. Bannister, 56, has been a principal figure in the six-month investigation by the Royal Commission into smuggling and drug-related corruption in the Bahamas, the newspaper said. Two American marijuana smugglers have testified that Mr. Bannister took money in exchange for promising favored immigration status.

10,000 Vietnamese Leave Cambodia

BAVIT, Cambodia (UPI) — Thousands of Vietnamese soldiers pulled out of Cambodia Saturday in a carefully staged withdrawal to show progress in the lengthy war against anti-Hanoi guerrillas.

Sources in the Cambodian capital of Phnom Penh said three Vietnamese regiments, totaling 10,000 men, were being withdrawn from provinces in far western Cambodia and sent home to Ho Chi Minh City. According to Western analysts, the withdrawal would leave 160,000 to 170,000 Vietnamese troops in Cambodia, which they invaded in 1978.

The defeated Khmer Rouge, backed by China, make up the majority of the 50,000 guerrillas battling Vietnamese and Cambodian government forces. However, Western military analysts believe the Cambodian resistance movement has been gaining strength and that many of the Vietnamese troops previously withdrawn have quietly been replaced.

Frenchman Found Dead Off Albania

PARIS (AP) — Jean-Marie Masselin, 29, an employee of the French Club Méditerranée on the island of Corfu who disappeared last week, has been found dead by Greek sailors near the Albanian coast, a spokesman for the French Foreign Ministry said Sunday.

The Club Méditerranée reported Thursday that Albanian border guards had shot at two of its employees who strayed too near coastal waters during a fishing expedition, wounding one of them and holding the other. Albania confirmed it had shot at the Frenchman but denied it was holding anyone.

The body of Mr. Masselin was found floating in the sea with a bullet wound in the head, said Jackie Masselin, the victim's brother, who was contacted by the club's president Sunday. The ministry is demanding an explanation from the Albanian authorities.

Israeli Civil Servants Sign Wage Pact

TEL AVIV (AP) — The government and several public service unions signed a wage agreement Sunday after a day of strikes and slowdowns by 75,000 workers.

The agreement came after 10 days of labor unrest involving hundreds of thousands of civil servants protesting the erosion of their incomes by inflation.

The agreement, signed by the unions representing civil servants, clerks and public service technicians, will give workers a 10 percent pay raise next month, 6 percent in August and 8 percent in September.

Strike Issue Challenged in Germany

LUDWIGSBURG, West Germany (UPI) — Industry officials say they will challenge court rulings that allow unemployment benefits for workers who are idle because of a 15-week metalworkers strike.

An eight-member mediation panel plans to resume efforts Monday to settle the dispute, which has virtually shut down West Germany's auto industry.

The officials said Saturday they would take the issue to West Germany's Supreme Constitutional Court in Karlsruhe. Under the court ruling, about 400,000 nonstrikers, who are idle because of employers' retaliatory lockouts or because shortages have closed their plants, could start receiving unemployment payments.

For the Record

An Iranian Navy transport plane hijacked to France was being returned to Iran Sunday, five days after four defectors landed it in Nice. French officials are holding the four under house arrest while considering their request for political asylum. (UPI)

Police in Durban, South Africa, have arrested 44 persons for campaigning against apartheid, authorities said. The 44, all released on bail, are members of the United Democratic Front. (AP)

The death toll from an explosion at a coal mine near Taipei on Wednesday rose to 37, police said Sunday. Thirty-five more miners are still trapped and presumed dead. (Reuters)

Iraq Renews Gulf Raids; Greek Tanker Attacked

Compiled by Our Staff From Dispatches

BAHRAIN — Iraq ended a two-week lull in attacks on Gulf shipping Sunday, attacking four "big naval targets" south of Iran's Kharg Island oil shipping terminal, Baghdad Radio said.

When Iraq uses the term big naval targets, it usually refers to oil tankers.

Bahrain-based shipping sources said the Iraqis attacked the Greek-registered supertanker, Alexander the Great, at Kharg Island's north-west jetty, starting a fire.

The 52,737-ton tanker, which was loaded with oil, hit but it continued its voyage, a spokesman for the Ministry of Merchant Shipping said in Athens.

A spokesman for Aegeus Shipping Co., the ship's agents, said, "none of the 26 crew members was injured from the attack."

"The ship suffered light damage but was able to sail away by its own means and is now on its way to the exit of the Gulf," the spokesman said.

A military spokesman on Baghdad Radio said later that Iraqi jets had scored "direct hits" on four naval targets south of Kharg Island and returned safely to base. The three other targets were not identified.

The air attack, the spokesman said, was "in fulfillment of our de-

termination to tighten the total blockade imposed on Kharg Island and other Iranian ports in the Gulf."

The Iraqi blockade began in February. Iraq has attacked dozens of ships in its efforts to shut off the oil revenue Iran is using to finance the war that started in September 1980.

Iran has been accused of striking several ships near Kuwait and Saudi Arabia, apparently in retaliation for the Iraqi raids.

Iraq last launched an attack near Kharg Island on June 3, when its fighter aircraft crippled a Turkish tanker, the Buyuk Hun. The Iranians followed up on June 10 with a raid on an Kuwaiti tanker, Kazima, which was hit east of the Strait of Hormuz.

Meanwhile, the top military officials of the six countries in the Gulf Cooperation Council met Sunday in Saudi Arabia to discuss collective action against attacks on their shipping.

The council is comprised of Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman.

Qatar's minister of state for foreign affairs, Ahmad bin Sayf al-Thani, said that the Gulf countries would not accept foreign intervention for the defense of the region. (AP, Reuters)

U.S. Allies Urged to Act On Terrorism

WASHINGTON — Secretary of State George P. Shultz, reaffirming U.S. determination to combat terrorism, is urging to U.S. allies to consider pre-emptive action against terrorists.

Mr. Shultz's appeal was contained in a speech prepared for delivery Monday at a conference on international terrorism in Washington.

The Shultz speech says a discussion of pre-emptive measures at the London economic summit conference this month was a welcome sign that the industrial countries of the West "share a common view of the terrorist threat."

No details of the summit discussion were released. But in a joint statement, leaders of the countries attending the session said they were resolved to develop new measures to fight terrorism. The seven nations at the conference were the United States, Japan, West Germany, France, Britain, Italy and Canada.

"From a practical standpoint, a purely passive defense does not provide enough of a deterrent to terrorism and to the states that sponsor it," the Shultz speech says.

"It is time to think long and hard and seriously about more active means of defense, about defense through appropriate preventive or pre-emptive actions against terrorist groups before they strike."

"Experience has taught us over the years that one of the best deterrents to terrorism is the certainty that swift and sure measures will be taken against those who engage in it."

In April, a State Department official said that the U.S. would consider using military action against countries such as Libya, Syria and Iran if there were evidence of a planned terrorist attack against U.S. targets.

Mr. Shultz, in the speech to be given Monday, did not mention a proposal to create an international anti-terrorist strike force made last week by Junius R. Jaywardene, president of Sri Lanka.

Mr. Jaywardene, on his first state visit to the United States, said he had discussed the proposal with President Ronald Reagan.

The Shultz speech accused the Soviet Union of supporting terrorist movements around the world.

"The Soviets use terrorist groups for their own purposes and their goal is always the same: to weaken liberal democracy and undermine world stability," it said.

India to Buy 12 Boeing 757s

NEW DELHI — Indian Airlines, the country's domestic network, plans to buy 12 Boeing 757s at a cost of \$300 million and to phase out five old Boeing 737s.

On Friday, Air India, which operates international flights, said it had contracted to buy six Airbus-310-300s, valued at about \$150 million, to replace five Boeing 707s. The first Boeing 757s are expected to arrive in India in September or October 1985. The first three Airbus-310-300s would arrive in early 1986, and the others later the same year.

The two airlines earlier proposed to buy 10 A-310s from the Anglo-French Airbus Industrie consortium for Air India and as many as 15 Boeing 757s or 767s for Indian Airlines, but revised their projects after economic considerations, company spokesmen said. Airbus and Boeing of the United States have been bidding heavily to sell their jets to India.

U.K. Train Derails, 41 Hurt

MORPETH, England — An overnight express train from Aberdeen, Scotland, to London derailed early Sunday near Morpeth, 300 miles (480 kilometers) north of London, trapping tourists in their sleeping cars, British Rail said. 41 people were injured, none seriously, and its main east coast line would be closed until Tuesday.

Rocket Failures Put NASA Behind Schedule

(Continued from Page 1)

causing some concern over the weather prospects at the scheduled launching time.

The two pilots are Henry W. Hartsfield Jr., the mission commander, and Michael L. Coats of the U.S. Navy. The other crew members are Lieutenant Colonel Richard M. Mullane of the air force, Dr. Steven A. Hawley, Dr. Judith A. Resnik and Charles D. Walker.

Mr. Walker, an engineer with the McDonnell Douglas Corp., will be the shuttle program's first nonastronaut passenger. Through a joint venture agreement with NASA, he is to operate a drug processing system for the company that is considered a prototype for encouraging private industry to explore new methods for processing commercial materials in the weightlessness of space.

The space agency, the air force and the telecommunications industry have been plagued for more than a year with problems with the rockets used to boost satellites away from the shuttles into higher orbits.

That was when the air force-designed Inertial Upper Stage rocket misfired and sent NASA's \$100-million tracking and data relay satellite into the wrong orbit. Firings of its small thruster jets eventually nudged the satellite into its proper orbit.

Investigators from the air force and the Boeing Co., the manufacturer, had trouble identifying the source of the rocket failure and deciding what corrective actions to take. Consequently, the space agency deferred plans to launch any other tracking satellites with the Inertial Upper Stage. And the air force canceled a secret military mission it was planning for July, presumably because it would have required the suspect upper-stage rocket.

Another Defense Department mission by the shuttle was canceled for unannounced reasons. This reduced the number of planned 1984 shuttle missions from 10 to 7, and for a while it seemed likely that others might be postponed into the next year.

This uncertainty stemmed from the failures of the payload-assist modules, used to boost most conventional communications satellites from the lower shuttle orbit to 22,300 miles (36,152 kilometers). These modules are built by McDonnell Douglas.

An investigation found that internal blisters in the carbon-carbon metal of the rocket nozzles caused them to shatter shortly after ignition. Examining the nozzle materials with medical CAT scanners, a sophisticated type of X-ray system, engineers detected density variations in some batches of the metal that made them vulnerable. Nozzles made from the defective batches were set aside.

McDonnell Douglas said that nozzles without the defects have now been tested successfully at the Arnold Engineering Center in Tullahoma, Tennessee.

Jeff Fister, a company spokesman, said Saturday, "Hopefully our troubles are behind us."

China Won't Alter Pledge

(Continued from Page 1)

of an improving U.S. relationship with Beijing.

As administration experts reviewed the terms of the accord and studied intelligence reports indicating continued Chinese-Pakistani nuclear cooperation, the White House decided to send Arthur W. Hummel Jr., the U.S. ambassador to China, to the Chinese Foreign Ministry.

Mr. Hummel was to inquire about the reports on uranium enrichment and to see if Beijing and Washington had a "mutual" understanding on how the agreement would be "implemented." This was said to have happened about two weeks ago.

Pakistan is widely reported to have a uranium enrichment plant at Kahuta, near Islamabad in the northern part of the country.

The Chinese responded that they would not go beyond the public statements by Mr. Zhao and the virtually identical language adopted recently by the National People's Congress, China's nominal parliament.

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Argentines protesting austerity measures proposed by the International Monetary Fund.

11 Latin Nations Agree to Consult on Debt

(Continued from Page 1)

that the door was open and reaction on how to conduct a discussion of the issues would be sought through diplomatic channels.

Brazil and Mexico, the two largest debtors, insisted on the need to maintain flexibility in negotiations with private bankers, who hold 80 percent of the region's debt.

But Brazil strongly supported the need for involvement by the governments of the industrial countries in the interrelated trade, debt and development financing problems that affect both borrowers and lenders.

Until now, the Reagan administration has resisted greater government participation than is already taking place through such multilateral agencies as the IMF and the World Bank.

U.S. Pleased With Terms

A spokesman for the U.S. government said Saturday that the United States was relieved by the terms of an accord struck Friday by 11 Latin American debtor nations. The New York Times reported from Washington.

But other experts cautioned that the agreement would move the countries closer to formation of a cartel if their loan burden worsened.

"There is nothing in there that was surprising," said Alfred Kingston, a Treasury spokesman. He said the Treasury was pleased that the tone of the statement was conciliatory and that the countries did not decide to repudiate their debts.

"We thought the whole thing was positive," he added.

Experts outside the government cautioned that the structure for regular meetings could lead to tougher decisions if the creditor governments, their banks and the IMF ignored the appeal for easier payment terms.

2 Killed by Floods in Brazil

PORTO ALEGRE, Brazil — Floods caused by a week of storms in southern Brazil have left two people dead, 10,000 others homeless and hundreds of escaped thoroughbred race horses endangered, officials said Saturday. State officials declared 74 municipalities disaster areas and estimated property damage at \$250 million.

Protest Against IMF

About 50,000 young members of 10 political parties marched on the Argentine Congress on Friday to protest austerity measures proposed by the IMF. United Press International reported from Buenos Aires.

6 Killed by Floods in Brazil

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AMERICAN TOPICS

World's Fair Losses
Laid to Attendance

The 1984 Louisiana World Exposition struggles on in an atmosphere of doom. There is speculation the fair will not stay open through its scheduled close in November. Nearly 300 fair employees have been laid off and \$15 million is being trimmed from the exposition's operating budget.

What went wrong? Observers claim the fair was underfunded and there have been charges of mismanagement and bad marketing. But the ultimate cause is that people are staying away.

The Times-Picayune runs a daily box measuring attendance figures against the total needed for the fair to break even. At one point last week, the fair was more than 10 million visitors shy of its break-even point.

Center to Help Find
Missing Children

A center designed to help find missing or kidnapped children has opened in Washington.

The National Center for Missing and Exploited Children will act as a clearinghouse for information on the estimated 1.5 million youngsters reported missing each year.

The center is compiling a computer directory of missing youngsters and in August it will open a toll-free line for information on missing children.

Harlequin Books
Planning Merger

Harlequin Enterprises Ltd., the Canadian-based publisher of contemporary romances, is planning to merge with its chief competitor, Silhouette Books.

Romance novels have an estimated 20 million to 25 million devotees, according to industry surveys. If Harlequin's takeover bid succeeds it will wind up with more than 80 percent of all U.S. paperback romance sales.

Californians Protest
Surveillance by U-2s

A group of Californians concerned about privacy has gone to court to halt what the government calls a vital tool in the battle against marijuana growers — high altitude surveillance flights by U-2 planes.

Ten residents of Humboldt and Trinity counties contend that their civil rights, including the right to privacy, are violated by the flights. They are asking for \$10 million in punitive damages.

"In the name of marijuana eradication the government feels it can do anything it wants," said Ronald Snowway, an attorney. "The issue is not so much what is legal and what is illegal. The issue is what is society willing to accept as legal law enforcement tools."

But if the surveillance flights are stopped, a state official said, "it would have a tremendous impact on law enforcement; it would be a license to grow."

Hoisting the Flag
A Full-Time Job

Nearly every day, a crew climbs to the base of the Capitol Dome in Washington and flies American flags. Big flags and small flags. Cotton flags and nylon flags.

As many as 300 flags a day are hoisted atop three 18-foot flagpoles, held there for a few seconds, and then hauled down. Last year this assembly-line ritual was repeated a record 83,984 times to meet the growing demand for souvenir banners that have flown over the Capitol.

Notes on People

Representative Glenn M. Anderson, Democrat of California, used phonograph records to introduce himself to 9,000 new constituents added to his district when his congressional borders were redrawn. The records were apparently a hit as Mr. Anderson won 87 percent of the vote in the recent primary.

A South Dakota court has dismissed a \$24-million suit by Governor William J. Janklow against Peter Matthiessen, an author, a publisher, and three South Dakota bookstores. Mr. Janklow objected to statements in the book critical of him but the court held that the book had provided balance by including his denials. . . . A Senate subcommittee has subpoenaed A. Ernest Fitzgerald, a Pentagon whistle-blower, to testify about what Senator Charles E. Grassley, Republican of Iowa, said would be "explosive" information that "reveals that the vast majority of money we put into major weapons systems is pure waste and inefficiency."

Kennedy Reportedly Will Endorse
Mondale's Presidential Bid Today

Compiled by Our Staff From Dispatches

NORTH OAKS, Minnesota — Senator Edward M. Kennedy will endorse Walter F. Mondale for the 1984 Democratic presidential nomination on Monday, according to Mondale campaign sources.

The Massachusetts Democrat was to meet Sunday with Mr. Mondale, the party's likely nominee, and spend the night at the candidate's suburban St. Paul home. Aides to both men said the senator would not take part in one of the interviews that Mr. Mondale has been conducting with possible running mates.

The visit will represent a political rapprochement between two Democratic camps.

Four years ago, when Senator Kennedy challenged President Jimmy Carter for the 1980 Democratic nomination, Mr. Mondale said in a speech in Iowa that the senator had "decided to pursue the politics of the moment" in opposing Mr. Carter's embargo on grain sales to the Soviet Union. Mr. Kennedy accused Mr. Mondale, Mr. Carter's vice president, of questioning his patriotism.

The two also found themselves on uncomfortable terms early this spring. In the view of Mondale strategists, Senator Kennedy and his followers were too quick to draw away from Mr. Mondale after his losses in the presidential primaries in New Hampshire and Maine.

On Saturday, Mr. Mondale interviewed two prospective running mates, Senator Lloyd Bentsen of Texas and Mayor Dianne Feinstein of San Francisco.

Reporters peppered Senator Bentsen with questions about his philosophical differences with Mr. Mondale and Mayor Feinstein about her lack of experience in areas such as foreign affairs.

Mr. Mondale, in his own comments, addressed both issues.

He acknowledged that Mr. Bentsen, 63, has taken more conservative positions on several major issues than has Mr. Mondale. The Texas voted for President Ronald Reagan's budget and tax cuts, and he supports the B-1 bomber and production of nerve gas. He also voted for confirmation of James G. Watt as secretary of interior.

But Mr. Mondale said his search for a running mate was not a quest for "a homogenized ticket."

"I am not asking that running mate of mine have identical views in order to qualify," he said.

Later after meeting with Mrs. Feinstein, Mr. Mondale said that women and minorities should not be held back from the vice presidency simply because they do not have experience in certain areas such as foreign policy.

Democrats End
Delegate Battle

The Associated Press

WASHINGTON — The delegate selection process for July's Democratic National Convention drew to a close Saturday, with Democrats in South Dakota winding up a state-by-state political marathon that began five months ago.

Nationwide, the selection process began Jan. 26, when House Democrats chose 164 delegates, followed by additional selections by Senate Democrats. The first election event in a state were the Iowa caucuses, on Feb. 20, which were won by Walter F. Mondale.

The final delegate totals nationally are 2,052.05 delegates for Mr. Mondale, 1,245.75 for Senator Gary Hart and 579.2 for the Rev. Jesse L. Jackson. A total of 202 delegates are uncommitted or pledged to other persons.

"If we're going to open doors in America, if we're going to make advances in justice toward women in this country or toward minorities, it can't be the rule that... you have to have all these things that were impossible to achieve because you are a woman," he said.

On Thursday, Mr. Mondale talked about the vice presidency with Mayor Tom Bradley of Los Angeles. Mayor Bradley was the first potential running mate to meet with Mr. Mondale, who emerged from the meeting to say he was confident the American people were ready to accept a black on the national ticket. (AP, NYT, UP)

Jackson to Meet Castro

The Rev. Jesse L. Jackson arrived Saturday in Panama on the first leg of a six-day Latin American trip, news agencies reported from Panama City.

Mr. Jackson also plans to visit El Salvador, Cuba and Nicaragua.

A prominent source in the Jackson campaign told The New York Times that President Fidel Castro of Cuba had agreed to release some political prisoners when Mr. Jackson visits Cuba this week. The source said the action was intended as a goodwill gesture.

He said Mr. Jackson was attempting to determine how the freed prisoners could be transported to the United States, although he said he did not know how many would be involved.

In a visit to Syria last year, Mr.

Jackson won freedom for a captured U.S. airman.

Mr. Jackson, at an airport news conference in Panama Saturday, said he would carry into Cuba a list of prisoners and would appeal for their release. A Jackson aide said there were 21 names on the list. Mr. Jackson is scheduled to hold a private meeting with Mr. Castro for several hours Monday night.

Mr. Jackson, soon after his arrival in Panama, became embroiled in the country's politics when supporters of Arnaldo Arias Madrid, the defeated candidate in last month's presidential election, picketed the building where Mr. Jackson met for nearly an hour with President-elect Nicolás Ardito Barletta.

The demonstrators, who accused Mr. Ardito Barletta of vote fraud, also picketed Mr. Jackson's hotel and disrupted a Roman Catholic service where the black minister spoke. Mr. Jackson agreed to meet this week with the demonstrators.

Hispanics Urge Abstention

The nation's largest Hispanic organization has urged delegates to the Democratic National Convention to refrain from casting votes on the first nominating ballot. The Associated Press reported from El Paso, Texas.

María Obledo, president of the League of United Latin American Citizens, said Saturday that a boycott would signal to Democratic candidates that they have ignored Hispanic issues. The group has more than 100,000 members.

Mr. Obledo said he wanted to secure an "immediate commitment" from Mr. Mondale and Senator Gary Hart of Colorado either to ensure the defeat of the immigration reform bill passed last week by the House or to ensure an alternative measure that included amnesty for undocumented aliens "without any conditions."

The clear target of the proposed protest is Mr. Mondale, who is supported by the vast majority of the 291 Hispanic convention delegates, even though his failure to work behind the scenes to defeat the immigration measure has angered some Hispanics.

The proposal also may affect the future of the bill, which passed the House by only five votes and must return there for another vote after a House-Senate conference.

Although the first-ballot protest was discussed with Mr. Jackson, who spoke to the group before starting his Latin America tour, Mr. Obledo said the idea originated with LULAC leaders. Mr. Jackson did not make clear whether he supported it, although he told convention delegates earlier to vote their consciences on the first ballot.



The Rev. Jesse L. Jackson talked with President Jorge E. Illueca of Panama Saturday at the presidential palace on the first stop of Mr. Jackson's tour of Latin America.

Reagan Plans
Added Cuts in
Income Taxes
Proposal for Next Term
Would 'Finish the Job'

United Press International

WASHINGTON — President Ronald Reagan has promised in a national radio address that his administration would "finish the job we've begun" by lowering income tax rates in a second term.

Citing last week's economic statistics showing a 9.7 percent expansion in the U.S. economy in the first quarter, a 5.7 percent expansion in the second quarter and lower wholesale and retail prices, Mr. Reagan pooh-poohed "some experts" who say the U.S. economy is rising so fast it could reignite inflation and lead to higher interest rates.

The expansion, he said in the address Saturday, is in some key ways more durable than previous ones and "more people are working in America than ever before."

He said more jobs were created in May than in all the European Community countries in the past 10 years. In the past 18 months, he said, six million new jobs have been created, including three million for women, one million for blacks and 650,000 for Hispanics.

"So, economic growth is stronger than before, stronger than anyone expected, and jobs are being created at record rates. But something else makes this expansion different — inflation is staying down and we mean to keep it down," he said. Latest figures show inflation of 4.2 percent over the past 12 months, one-third the 12.4 percent figure during the last year of the Carter administration.

"This is the first time since the 1960s we have been able to enjoy strong and steady growth without high inflation," Mr. Reagan said, adding: "And that's why I'm determined to finish the job we've begun, by simplifying our tax system and broadening the base so we can bring personal income tax rates down further."

Two main proposals are under consideration in a tax reform study by the U.S. Treasury Department:

• A lower tax rate for all brackets with most of the deductions eliminated.

• A tax on a family's spending instead of its income.

Ford Cautions GOP

Former President Gerald R. Ford has warned Republicans that they should not assume that Mr. Reagan will win an easy re-election victory this November. The Denver Post reported from Beaver Creek, Colorado.

Democratic Platform
Approved by Committee

By Warren Weaver Jr.

New York Times Service

WASHINGTON — The Democratic platform committee has completed a platform that includes far fewer commitments to sweeping social programs and is considerably more conservative than those adopted by the party in recent years.

In the final drafting session here Saturday, the committee defeated an attempt by supporters of the Rev. Jesse L. Jackson to put the party on record as favoring the elimination of the runoff primaries used in 10 states.

Then, at the urging of delegates backing Walter F. Mondale for the presidential nomination, the committee called for a study of all discriminatory barriers to voting, to be carried out by the Democratic National Committee and the Justice Department in an incoming Democratic administration.

Backers of Senator Gary Hart of Colorado tried unsuccessfully to amend the Mondale motion on the primaries with what they said was compromise language, but they were defeated on a voice vote by the Mondale majority on the committee.

As a result, the call for a study of the problem will come before the national convention next month in San Francisco as part of the party's platform. But the Jackson proposal

will not be eligible for floor debate because it was defeated on a voice vote and thus did not receive the necessary 25 percent vote to qualify as a minority report.

[A spokesman for the Jackson campaign said Saturday that it would take its fight against runoff primaries to the floor of the convention, United Press International reported in Washington. He did not elaborate.]

[Ron Walters, the spokesman, said approval of the platform had increased party unity but that "there are parts of it that disturb me greatly. It disturbs me that a Democrat can run on some of these things."]

The platform committee weakened somewhat a plank that had been proposed Friday calling for an end to financing of federal campaigns by political action committees and offering public financing to candidates who refuse to accept assistance from such committees.

Instead, the committee approved language pledging the party to "work to end" financing by the political action committees.

The platform that will be submitted to the party's national convention July 17 includes fewer commitments to social programs.

There was no mention in the platform of national health insurance, which had become a standard party promise to the voters.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Debts That Bind

It now seems possible that Argentina will not pay the \$350 million due its creditors before the end of this week. Will this default finally set off the global debt bomb? Probably not. American banks among the creditors may have to write down their profits or invent a new contrivance to postpone the day of reckoning. But in any case, the fundamental problem will persist.

Argentina's new government, desperately trying to build genuine democracy, pleads it cannot make painful economic adjustments as fast as is wanted by the bankers and the International Monetary Fund. To avoid public unrest, the government led by President Raúl Alfonsín says wages must rise 6 percent to 8 percent faster than the feverish inflation, now higher than 500 percent a year. Politically muscular labor unions want even faster raises; the banks and the IMF insist on less. So Argentina stands defiant, and the financial world is treated to yet another nerve-racking confrontation.

Still, the two sides need each other and show signs of understanding that. At their London summit meeting two weeks ago, the industrial democracies pledged more aid for developing countries on more generous terms. Also, the banks have agreed to discuss easier terms for Mexico and Brazil, the biggest debtors, as a "reward" for economic progress already made. And new federal regulations require American banks, in their earnings reports, to face up more honestly to defaults.

Argentina, in turn, last week softened its intransigence by making an interest payment that had been due in January. And 11 Latin debtors at their own summit meeting in Colombia issued a non-threatening plea for un-

derstanding, to be pressed by a joint consultative group, and backed by promises to pay their debts.

Assuming that this quarter's crisis is resolved by yet another compromise, it has again illuminated the huge dimensions of the debt problem. The Third World's massive foreign debt will not be repaid for many years, if ever. The way to get the largest portion of it repaid is through sustained economic growth that lets the debtors earn their way back to solvency. That is already happening in some countries, but the staying power of the current economic expansion is uncertain.

The economic facts of life will force the debtor nations to take politically difficult steps. The creditors, too, need to take some. Above all, they need to restrain rising interest rates, which only make matters worse. Capping the rates for poor nations and adding the excess to the end of their loans could relieve some of the burden. Or a special IMF account could be created, from which debtors could draw when interest costs exceed a certain level. Stretching repayment schedules would also help. Just as urgently, the developing countries need markets for exports. The industrial nations simply have to resist protectionist barriers against them.

Finally, the austerity measures proposed for debtors have to be custom designed. Argentina's democracy cannot take as much pressure as Mexico's. The debt bomb has been ticking for two years while both debtors and creditors have made a lot of adjustments. Disaster will be averted if one principle is observed: The debtors need to earn their way out of back and therefore need time and opportunities to earn.

—THE NEW YORK TIMES

Mitterrand in Moscow

President François Mitterrand of France mentioned the unmentionable in Moscow by raising the matter of Andrei Sakharov during a visit. His hosts rebuffed him, as he knew they would. To every inquiry about the dissenting physicist and his ailing wife, Yelena Bonner, the Soviet response has been like Konstantin Chernenko's this time: "We shall not allow anyone to interfere in our internal affairs."

But Mr. Mitterrand had to speak out. He has criticized his predecessor for rushing to meet with Leonid Brezhnev shortly after the Soviet invasion of Afghanistan. Europeans across the political spectrum are outraged by the Russians' refusal to give a decent exit to the banished Sakharovs, advocates only of greater liberty. What Moscow dismisses as an internal matter is in fact an obstacle to productive diplomacy. If Mr. Mitterrand's trip finally makes that point, it could promote his larger purpose of stimulating nuclear negotiations.

It is no accident, as the Russians say, that Mr. Chernenko claims the same imperious prerogative as the feudal czars. Indeed, Nicholas II used almost the same language in rejecting Western inquiries about mistreatment of Jews and other minorities.

In 1903, thousands of Americans petitioned through their government against a particu-

lar frightful pogrom in Kishinev. As Thomas Bailey's history recounts, the Russian foreign minister refused to receive the document, saying: "The emperor, whose will was the sole law of the land, needed no information from the outside world as to conditions within his domain or advice as to how he should manage his internal affairs."

Though the argument is the same, the world is not. The czar's tyranny never claimed to guarantee human rights. And Nicholas II, unlike Mr. Brezhnev in 1975, had signed no Helsinki accords that made the signatories accountable to each other for the condition of human rights. This pertinent fact was recalled by Mr. Mitterrand, whose Socialist government includes some Communist ministers. Indeed, Georges Marchais, France's Communist leader, said his party would "break" with Moscow if anything dire happened to the Sakharovs. The Soviet press, of course, reported none of this. It found room only for Mr. Chernenko's fatuous comparison of Soviet benefits with Western poverty and unemployment.

That, too, has precedent. When challenged about those pogroms, Mr. Bailey writes, the Russian press scornfully reminded the United States of its ill-treatment of Negroes.

—THE NEW YORK TIMES

Other Opinion

Plain Speaking in Moscow

President Mitterrand's decision to speak out firmly and unequivocally, while supporting in the Kremlin, on the subject of liberty, human rights and, more particularly, Andrei Sakharov and his wife, does him great credit.

The French president is the first Western leader to hold substantive talks with Mr. Chernenko and the visit has perfectly illustrated just how hard it is to conduct a dialogue with the Kremlin. It remains to be seen whether he has managed to ease the situation of the Sakharovs, two gentle and selfless souls whose internal exile, and KGB harassment, is the punishment for speaking out for justice, peace and compassion. But by not pulling his punches, Mr. Mitterrand has reminded the Soviet leadership that its treatment of the Sakharovs, and others like them, is a test of credibility.

—The Daily Telegraph (London).

Tough Message for NATO

Once again a few beastly American senators have dared to suggest a drawdown of U.S. forces in Europe unless our allies meet their modest pledges to NATO and start building a credible conventional defense. And once again, the political-military establishments on both sides of the Atlantic have rallied their forces to beat back this terrible heresy. The arguments for and against are hoary with age; the outcome is as predictable as a tribal ritual. But will this oft-told tale always have the same ending? Can NATO persist indefinitely to support an irrational defense strategy? Is it always to be sought in the status quo because

governments are too intimidated and immobilized to reform the Alliance?

If the latest Senate challenge had come from the neo-isolationists who infest the chamber, it could be dismissed. But when a man of Senator Sam Nunn's credentials leads the charge, everyone genuinely dedicated to a strong Atlantic Alliance ought to pay attention. For what Mr. Nunn embodied in his defeated amendment reflects the warnings about NATO from Henry Kissinger and others who are tough-minded about the Soviet threat.

Mr. Nunn's proposal was simple: Withdraw 90,000 of the 325,000 U.S. troops in Europe by 1990 if Western European countries continue to fall below their pledge for a real 3 percent annual growth in their military budgets.

The Alliance must move into an era of reform and rethinking if it is to remain a vital, credible organization for the defense of democratic nations. While the Nunn amendment deserved rejection, its rationale deserves respect.

—The Baltimore Sun.

European Unity Proves Elusive

Call it parochialism or nationalism, that was what the elections to the European Parliament demonstrated in such terms that many of the European leaders must now feel embarrassed.

The new composition of the parliament indicates how local were the issues that determined the electoral outcome. Voters were concerned with their domestic politics. They hardly thought of Europe while choosing their representatives.

—The Japan Times (Tokyo).

FROM OUR JUNE 25 PAGES, 75 AND 50 YEARS AGO

1909: Greece Denies Role in Crete
ATHENS — The Minister of Foreign Affairs has issued a denial to the news from a Turkish source that the Hellenic Government is giving financial assistance to the Cretans to enable them to purchase arms and ammunition. These purchases are made by the Provisional Government of Crete, with the aid of Greek patriots living abroad. It is certain at present that the evacuation of the island by the international troops will take place on July 27. Contrary to suppositions that the security of the Mussulman population of Crete would be threatened after the international troops leave, the Cretan Provisional Government will guarantee the lives of Turks in Crete.

1934: Republican Assails New Deal
WASHINGTON — Representative Bertrand Snell, House Republican leader, let loose the first blast against the Democrats in the approaching congressional campaign, when he accused the administration [on June 24] of "bluffing the public," and its members of touring the country to spread political propaganda at the expense of the taxpayers. "In one instance," he charged, "it is insidious propaganda, attempting to fool the public into the belief they are divorcing politics from administration of the Government, and in another, it is propaganda that the New Deal program has been wholeheartedly accepted by the American people. The facts disprove the claims."

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Nunn's Run at NATO: A Warning to Europe

By Stephen S. Rosenfeld

WASHINGTON — Just 10 years ago this week Senator Sam Nunn established himself as a NATO heavyweight by sidetracking the Mansfield Amendment's call for unilateral cuts of American forces in Europe. Last week the Georgia Democrat put in his own, superficially similar amendment. It could be the foreign-policy event of the decade.

The reason is that Mr. Nunn, by his place in a changing spectrum and by his personal stature, is the single person in a position to make happen the major revision of NATO strategy that others have only talked about, without results, all these years.

True, it is not going to happen at this precise moment. The Senate rejected the Nunn Amendment last Wednesday. But time, his purposefulness and the momentum of events seem to be clearly on his side.

Mr. Nunn is forcing three basic tests on Europe:

• Whether it will make the extra

(not extravagant) commitment to put up its share of a credible conventional defense.

• Whether it will thereby raise the point at which NATO, in the event that its conventional forces were being overrun, would have to choose between caving in or going nuclear.

• Whether it will put its relationship with the United States on a more solid basis in which Europe accepts a defense responsibility in keeping with its resources and with the demands of a mature modern alliance.

It takes a stout heart to have stuck with the debate over NATO. The tugs and pulls have served mainly to frazzle the parties. A schizophrenic Europe has felt we were going to do something rash and nuclear and abandon the continent to the Kremlin. An increasingly irritated United States has felt that Europe was either freeloading or preparing to turn neutralist. There has been much sweating over issues, like the missiles, and other



M. CHADWICK

Mondale's Choice for 'The Most Insignificant Office'

By James Reston

WASHINGTON — Walter Mondale, ahead on delegates but 15 points behind President Ronald Reagan in the popularity polls, is now looking over the Democratic field for a vice-presidential candidate who might help him win the election in November.

Should he go with Gary Hart, as Mr. Reagan went with George Bush in 1980, in the hope of uniting the party? Or with a woman or a black? Or with the person he thinks best qualified to be president, in case of accident, as Jimmy Carter chose Mr. Mondale himself in 1980?

What Mr. Mondale does about this — selecting the best president-in-waiting or the best vote-getter to help him in November — will probably tell us more about Mr. Mondale than about his running-mate.

There is a view that the vice-presidential nominee makes little if any difference, especially this year, since Mr. Mondale seems to be so far behind, Theodore White remarked recently, not entirely in jest, the only woman who could help Fritz on the ticket would be Florence Nightingale or Joan of Arc.

Even so, Mr. Mondale's choice of a vice-presidential nominee will be the first indication of the quality of the people he would want in his administration if he won. And considering the disappointing record of Mr. Reagan's appointments to the cabinet, White House staff and embassies, Mr. Mondale's decisions in this period of rest and reflection, about where he is going and who is going with him, could be important.

We all know the old historic and music-hall jokes about the vice-presidency, and even now they are vaguely amusing. Franklin Roosevelt picked John Nance Garner as his vice president, hoping to assure the electoral votes of Texas, and after eight years in that office, Mr. Garner concluded that the job was not "worth a pitcher of warm spit."

In more elegant terms, John Adams, our first vice president, wrote that "any country has in its wisdom contrived for me the most insignificant office that ever the invention of man contrived."

Yet as Martin Wattenberg recently reminded us, in an article in Public Opinion, nine vice presidents have had to assume the daunting responsibilities of the presidency upon the death or resignation of their skippers. They served 26 years as president, and four of them were then elected for four more years in the Oval Office.

In recent years, these facts have gradually changed the role of the vice presidency. Franklin Roosevelt shunned Harry Truman. Dwight Eisenhower tolerated Richard Nixon but just barely. Lyndon Johnson intimidated Hubert Humphrey and everybody else who doubted his conduct of the Vietnam war.

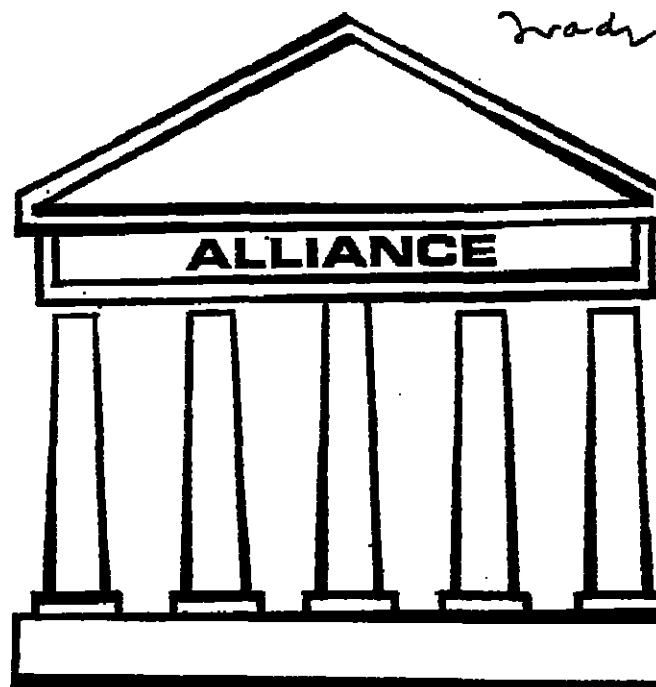
But there has been a switch. Mr. Carter brought Mr. Mondale into the center of executive decisions, and Mr. Reagan not only forgave Mr. Bush's opposition in the 1980 campaign, but has used him as a trusted member of his cabinet.

As a result, Mr. Reagan, now 74 and the oldest president in the history of the Republic, has dealt with the vice-presidential question with the utmost care. And Mr. Bush, who has served in the Congress, as head of the Central Intelligence Agency, as ambassador to the United Na-

tions and to China, has not only been involved in the major decisions of the Reagan administration, but has had the good judgment to be invisible in the process.

Now it is Mr. Mondale's turn to choose, not only a vice-presidential nominee, but a shadow cabinet to run against Mr. Reagan, and also against his cabinet and White House staff, dominated by the president's California friends. This may be Mr. Mondale's best chance.

There is little evidence so far, however, that Mr. Mondale has put his mind to the problem of ideas for the future or people who could help him define them. It is not that he



erwise a fading into lofty appeals to togetherness or into impossibly grand architectural designs.

Mr. Nunn's contribution to this confused scene is to provide a place where this latter-day Archimedes can stand while he moves an awfully important piece of the Atlantic world.

Shape up in conventional defense, he says to the Europeans: Meet the agreed 3-percent annual defense hikes or increase munition stockpiles and prepare facilities for quick U.S. reinforcements, as long promised. Or, says Mr. Nunn, after two years, the United States will start shipping out up to 30,000 troops a year for three years, reducing our strength to 236,000 — still a perfectly good "tripwire" to ensure our involvement in a Soviet attack.

The "burden-sharing" part of Mr. Nunn's case tends to get the blood boiling. The United States is surpassing NATO targets, the allies drag far behind. The allies have built none of the shelters and only 20 percent of the other facilities needed for the 1,500 extra planes America would send if the bell rang. The United States is spending \$52 billion over the next five years for spare munitions; the allies are doing little or nothing.

Still, the more fundamental argument is strategic. If Moscow attacked, NATO could fight only for "days, not weeks" before going nuclear, says the NATO commander, General Bernard Rogers — hardly the credible deterrent that Europe craves. So for \$90 billion a year (30 percent of the military budget),

America is buying a NATO strategy that leads straight to the nuclear escalator. If the Europeans will not do enough to keep the nuclear wolf at bay, says Mr. Nunn, let's at least trim our own costs.

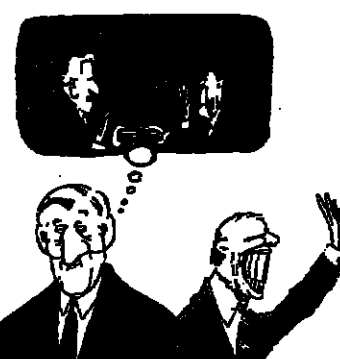
It is the wrong time, he was told. His amendment will only traumatize the Europeans and cheer the Russians: good cause, bad tactic. These arguments and the administration's extraordinary arm-twisting prevailed this time. But Mr. Nunn says he intends to stay the course.

He recoils from the suggestion that he has taken the Mansfield isolationist approach of unilateral withdrawal: "His goal was to get us out. Mine is to keep us in" — by furnishing the Western Europeans with a sharper incentive for self-help and, specifically, by offering a program that raises the nuclear threshold and thus lessens European politicians' satisfaction with their public passion against the very idea of nuclear war.

Mr. Nunn sees a terrible disparity between our exposure and our security and he has a fair, headbashed way to try to close a good part of the gap. The Europeans are flustering. They should see the immense advantage to them of having the American handle on NATO be grasped by a conservative such as Mr. Nunn, who believes in a strong defense and in the Atlantic Alliance, too.

The writer is deputy editorial page editor of The Washington Post.

POSSIBLE MONDALE RUNNING MATES...



JIMMY CARTER

MICHAEL JACKSON

PAUL NEWMAN

WHAT THE HECKY SINCE MONDALE'S PROBABLY GOING TO LOSE ANYWAY, THE DEMOCRATS CAN MAKE IT ON CARTER, AGAIN, AND START WITH A CLEAN SLATE IN 1988. HE CERTAINLY COULDN'T RUN FOR VICE PRESIDENT, IN CASE FRITZ WINS.

FOR GODS SAKE, IF WE GOT TO HAVE AN ACTOR IN THE WHITE HOUSE, LET'S GET A GOOD ONE...

THIS CHOICE PUTS A JACKSON ON THE TICKET. COVERS SEVERAL KEY WEAKNESSES WITHIN THE DEMOCRATIC PARTY AND CONTRASTS NICELY WITH MONDALE'S "FULL NORWEGIAN" LOOK...

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The Short and Tall of Vice Presidents

By Ziek Rubin

WALTHAM, Massachusetts — In choosing a running mate, there are basically two ways a presidential nominee can go — the tall way and the short way. You select someone who is either taller — or shorter — than you are. For a nominee to underestimate the importance of this decision would be the height of folly. My own feeling is that Walter Mondale would be wise to pull together a short list.

The conventional wisdom is that a candidate should pick a taller running mate. We expect more of tall people than of small people — and in politics, as in much of life, expectations count for almost everything. Since World War II, nearly every successful candidate but one has taken the tall route. The one exception was Lyndon Johnson, who would not tolerate running with anyone bigger than he was. Harry Truman, Dwight Eisenhower, John Kennedy, Richard Nixon, Jimmy Carter and Ronald Reagan — all average-sized or tall men — chose running mates who were taller.

The short route, on the other hand, has had little success. George McGovern chose a running mate who was smaller than he was (Thomas Eagleton) but then had to

drop him when he fell short for other reasons. In 1964, Barry Goldwater short-circuited his chance for the presidency by choosing a running mate who was 5 feet 8 inches and whose name no one could remember (William Miller).

The obvious way for Mr. Mondale, at 5 feet 11 inches, to boost his ticket would be to offer the second spot to Gary Hart. There is a question of Mr. Hart's height change, however. He is listed in older biographies as a 6-footer but now claims to be 6 feet 1 1/2 inches. If choosing Mr. Hart proved to be a tall order for Mr. Mondale, 6-foot Dale Bumpers, 6-foot-2-inch Lloyd Bentsen, and 6-foot-5-inch Bill Bradley are towering in the wings.

But for all the tall talent, the short route has its own special appeal. Similarity is the key to attraction — and, face it, most Americans are not all that tall. The average man is 5 feet 9 inches and the average woman is 5 feet 3 3/4 inches. While we like to look up to our leaders, we also like leaders whom we can look in the eye. Thus, the selection of a nontall running mate might be just

the bold stroke that would send hordes of medium-sized people scurrying to the polls.

If Mr. Mondale were to choose someone shorter than himself as his running mate, he would risk losing the votes of tall people. He would have to write off tall states like Texas and tall occupational groups like fashion models.

Short vice presidential possibilities are, needless to say, in short supply. Until this year, people shorter than 5 feet 11 inches were never even mentioned as eligible running mates. But if Mr. Mondale dares take the plunge, he should consider Governor Michael Dukakis of Massachusetts at 5 feet 8 1/2 inches. Senator Daniel Inouye at 5 feet 6 inches. Representative Corinne Boggs at 5 feet 5 inches. Representative Geraldine Ferraro at 5 feet 4 inches. Houston's Mayor Kathy Whitlure at 5 feet and Representative Barbara Mikulski at 4 feet 11 1/2. To overlook these prospects would be — well, short-sighted.

The writer, a professor of psychology at Brandeis University, is more or less as tall as Walter F. Mondale. He contributed this shortish comment to The New York Times.

A Change Of Name but Not History

By Flora Lewis

VOLGOGRAD, U.S.S.R. — President François Mitterrand of France chose this officially designated "hero city" as the last stop on his Soviet visit in remembrance of the wartime East-West alliance. This key transport and agricultural center was Stalingrad, site of the murderous five-month battle that was the turning point of World War II on the Eastern Front, leaving the city 85 percent destroyed. The name was changed in 1961, five years after Nikita Khrushchev's de-Stalinization speech, but the battle remains in history as the Soviet Union's great victory of Stalingrad.

That was the city's second name, changed from Tsaritsyn by Stalin in 1925 after Lenin

Expectations High, Problems Hard As Carrington Assumes NATO Post

By Paul Taylor

Reuters

BRUSSELS — Britain's Lord Carrington takes over Monday as secretary-general of the North Atlantic Treaty Organization amid great expectations, but with no shortage of intractable problems.

After 13 years in the stewardship of Joseph Luns, who even to many NATO officials seemed to lose touch in later years with the changing public opinion, NATO's image badly needs a face-lift and officials believe Lord Carrington is the man.

The 65-year-old former British foreign and defense secretary starts the job at what for most people is retirement age. He brings a reputation as a skilled negotiator and a persuasive advocate of less embittered East-West relations.

But his aristocratic charm and dry wit may be sorely tried as chief executive of an alliance suffering from trans-Atlantic tensions, inadequate conventional forces and shortages of cash and manpower.

"In terms of public relations, he will certainly be able to achieve very major results," another official said. "But in terms of the intractable issues of substance, the expectations may be too high."

Lord Carrington resigned from Prime Minister Margaret Thatcher's cabinet in April 1982 after Argentina's seizure of the Falkland Islands. His reputation as foreign secretary chiefly rests on his 1979 achievement of an independence settlement for Zimbabwe.

He arrives at NATO as relations between the United States and the Soviet Union are at a low ebb. In a major lecture on East-West relations last year, which in hindsight reads like a manifesto for the Atlantic alliance, he opposed ideological "megaphone diplomacy" and said the West lacked a positive strategy toward the Soviet Union.

He also faces serious challenges in "West-West relations" — the management of differences be-



Lord Carrington

tween the United States and its West European allies over defense spending, trade with the Soviet bloc, trans-Atlantic arms sales and the transfer of high technology.

The latest symptom is a U.S. defense budget amendment, proposed last week by Senator Sam Nunn, Democrat of Georgia, a supporter of NATO, which calls for a gradual withdrawal of U.S. troops from Europe if European allies do not spend more on defense.

Lord Carrington is known to favor strengthening the European side of NATO through greater defense cooperation, but is also aware of the budgetary constraints facing European governments.

Officials hope he will try to bridge what the U.S. ambassador to NATO, David M. Abshire, has called the "disconnect" between the political and military wings of the alliance.

The cleavage is reflected both in public skepticism of what NATO military leaders say about the "Soviet threat" and in the unpopularity of defense spending in many West European countries.

"I think Carrington will try to

make the generals more responsive to political reality. He will also emphasize the need for more conventional defense efforts to make us less reliant on our nuclear crutches," a senior NATO official said.

Mr. Luns saw NATO through a period of severe Soviet and domestic pressure over the deployment of new U.S. medium-range nuclear missiles in Western Europe beginning last autumn.

Now that the Netherlands has conditionally accepted eventual deployment of its quota of cruise missiles, albeit delayed, many NATO officials think the anti-nuclear groups that have challenged alliance policy will gradually subside.

Deployment has begun in Britain, Italy and West Germany and seems certain next year in Belgium. Conventional defense improvements and the battlefield use of high technology may prove as divisive for NATO as nuclear deterrence, since they require major spending and raise problems of technology-sharing and the lopsided trans-Atlantic arms trade.

West Germany and the United States, the two main contributors, are currently at loggerheads over increasing NATO's common fund for improving air bases, munitions dumps, ports and fuel pipelines.

Washington wants an infrastructure fund about two-thirds larger than Bonn is prepared to finance. West European officials said they hoped Lord Carrington would focus allied effort on developing practical, affordable weapons rather than some of the more futuristic systems that NATO's military commanders are seeking to strike moving targets in Eastern Europe.

"We're hoping Carrington will inject a large dose of common sense above all, both on defense questions and on the broader political issues in NATO," one official said. But officials also were against overestimating the power of the secretary-general, noting that he has to operate within a consensus of allies as divergent as the United States and Greece.



Prime Minister Indira Gandhi leaving the Golden Temple, the Sikh shrine in Amritsar.

Gandhi's Televised Visit to Amritsar Is Seen as Bid to Mollify Angry Sikhs

By William K. Stevens

New York Times Service

NEW DELHI — Prime Minister Indira Gandhi visited Saturday the Golden Temple in Amritsar, the Sikh shrine that was the scene of fighting earlier this month.

The visit was televised, apparently as part of an effort to mollify Sikhs angered by the invasion of the temple. Nearly 600 people, according to official reports, and perhaps more than 1,000 according to other estimates, were killed during the army's invasion on June 6 of the temple compound, which Sikh militants had turned into a fortress.

Mrs. Gandhi was reported to have heard demands from the head priest that the army be withdrawn and pilgrims be allowed to return. Meanwhile, conditions in Amritsar, which had been the center of a Sikh movement aimed at greater autonomy for Punjab state, were described as returning to normal.

Officials said Sunday that unidentified assailants shot and killed a Hindu priest in Punjab, United Press International reported from New Delhi. Police arrested two per-

sons in connection with the killing late Saturday in the Hoshiarpur district.

Mrs. Gandhi, accompanied by government radio and television reporters, spent half an hour in the temple. She bent to touch the floor of the gold-sheathed inner sanctum with her head, made an offering of rupees and took part in a ceremony that corresponds to communion for Sikhs.

She was told that some Sikh scriptures had been damaged during the fighting. The government said it would soon take busloads of pilgrims to the temple to quell their fears about its condition.

The head priest, Giani Sahib Singh, urged Mrs. Gandhi to release "innocent" people arrested during the temple raid and in army sweeps throughout the Punjab countryside. Some official sources say that perhaps 200 of the nearly 1,600 people arrested in the temple raid were pilgrims and that more than 100 were temple employees. More than 4,000 altogether are reported to have been arrested.

Some government officials have now returned to an estimate, made before the army invaded the temple, that no more than 400 to 500 militants were operating from the temple. The others are presumed to have included criminals, fugitives, and fringe members of the group led by Jarnail Singh Bhindranwale, the Sikh leader who was slain in the invasion.

Sikh Leader Urges Unity
The chief leader of Sikhs in the West said they must unite and persevere in their campaign for greater religious and political autonomy following the army's raid on the Golden Temple. The Associated Press reported from Santa Fe, New Mexico.

A "great peace" was broken by the raid, Yogi Bhasin said Saturday at an international Sikh conference. About 75 delegates from the United States, West Germany, Canada, Malaysia, Hong Kong, the United Kingdom and Mexico gathered for the emergency session to devise a way to end the religious violence in the state.

200-300 Russians Died In Blast, U.S. Aides Say

By Richard Halloran

New York Times Service

WASHINGTON — Between 200 and 300 people were reported killed in the huge explosion about a month ago that destroyed large stocks of ammunition for the Soviet Northern Fleet, according to U.S. officials.

Other sources suggested that the Central Intelligence Agency learned of the accident from travelers, then positioned satellites and electronic devices to assess the damage.

Those sources said the death toll was estimated at between 200 and 300 people. Many of them were ordnance technicians sent into the fire caused by the explosion in an unsuccessful effort to defuse or disassemble the munitions before they exploded in a chain reaction over several hours.

Officials at the State and Defense departments, as well as diplomats and congressional sources, all blamed the accident on Soviet "carelessness."

Most officials doubted that the explosion would have a long-term effect on Soviet naval readiness. They noted that ammunition could be unloaded from ships in port and loaded onto those going to sea, brought up from reserve stocks, or manufactured.

The site of the explosion was said to be a naval ammunition depot in Severomorsk, a town on the eastern

shore of a long bay on the Barents Sea leading to Murmansk, a large port city on the Kola Peninsula. Other Soviet fleets are based in the Baltic and Black Seas and on the Pacific coast.

There has been no evidence of nuclear explosion or radiation. The cause of the explosion could not be determined. Officials said they surmised that there was an accident in handling ammunition or in maintaining it.

"They don't have a very good record in handling explosives," a congressional official said. A European diplomat with knowledge of Soviet matters said: "Our experience is that they are very careless in general. They have a problem with a large degree of sloppiness."

Given the vast supplies of ammunition estimated to be in Soviet stockpiles and the productive capacity of the Soviet weapons industry, some officials speculated that the loss of the technicians may be the most severe damage suffered in the disaster.

Sources said survivors of the disaster evidently talked about it later and their accounts reached the ears of West European travelers in the Soviet Union. When the travelers returned to Western Europe, CIA agents picked up the accounts. In addition, Norway and Sweden were said to have monitored the explosions with their own technical devices.

More Refugees Enter Mission in East Berlin

By John Tagliabue

New York Times Service

BONN — Fifty East Germans seeking passage to the West are reported to have taken refuge in the West German diplomatic mission in East Berlin.

Government officials said the figure was less than that but conceded that the number had increased since Chancellor Helmut Kohl first acknowledged on June 15 that Bonn was negotiating with East Germany for the release of 19 people in the mission.

The higher total was reported Saturday in the newspaper Bild am Sonntag.

The incident is the latest of several that could undermine efforts to improve relations between Bonn and East Berlin.

Mr. Kohl and the East German leader, Erich Honecker, continue to insist publicly that they are seeking friendly relations.

But a coolness seemed to set in last month after East Germany cracked down on emigration after the largest exodus since the Berlin Wall was built in 1961. More than 25,000 emigrants were granted exit visas in the first five months of this year, compared with 11,300 for the whole of 1983.

Relations were strained in April when 38 people sought refuge in West German missions in East Berlin and Prague.

Some of those in Prague were thought to have been inspired by

Japan Objects To Big Cut in Whale Quota

Reuters

BUENOS AIRES — The International Whaling Commission has voted to cut sharply the 1985 catch quota, prompting the Japanese delegate to walk out after formally objecting, along with the Soviet Union and Brazil.

The commission voted Friday to reduce overall whale catches from nearly 10,000 in 1984 to about 7,000 in 1985, effectively phasing out whaling as a commercial activity, conservationists said.

The commission voted 22 to 7, with seven abstentions, to cut the catch quota for southern Minke whales to 4,224 from this year's 6,655. The southern Minke is the mainstay of modern commercial whaling.

Japan, the Soviet Union and Brazil immediately announced formal objections to the vote on the southern Minke whale, and the Japanese commissioner walked out of the meeting.

The three nations could announce later that they will not respect the quotas set by the commission, which does not have powers of enforcement. But that would pit Japan against the United States, which by law would be forced to adopt sanctions limiting the catch Japan could take in U.S. territorial waters, conservationists said.

The United States voted for the reduction in quotas and early in the meeting said that the 1986-1991 moratorium was essential "for the conservation of whales on behalf of the international community."

Norway, the Soviet Union and Japan, which are responsible for 70 percent of the whale catches, oppose the moratorium, scheduled to begin in 1986. Japan, the main consumer of whale meat, much of which is imported from the Soviet Union, had sought an increase in the catch quota in 1985 to 7,394 whales.

The commission also approved an amendment banning the catch of sperm whales, beginning in 1985. Japan has a catch limit of 400 whales in the northern Pacific this year.

The commission also approved a quota of 635 Norwegian Minke whales for 1985, the same level as this year.

The quota for southern Minke whales for 1985 was approved after two votes were taken on lower quotas that failed to achieve the necessary three-fourths majority.

The Seychelles delegate then proposed the 4,224 level and refused to postpone the vote, despite a request by the Japanese commissioner.

The Minke is a small whale that exists in relatively large numbers. Most great whale populations have been depleted by years of whaling.

Bus Accident in Spain Kills 9
United Press International

CALATAYUD, Spain — A tour bus carrying 42 Spanish and Portuguese passengers from Barcelona to Madrid overturned and crashed Saturday, killing nine passengers and injuring 29, police said.

Heart Is Found to Make Hormone-Like Material

Scientists Expect Find Will Improve Treatment for High Blood Pressure

By Harold M. Schmeck Jr.

New York Times Service

NEW YORK — The heart, long thought to be little more than a muscle that pumps blood, has been shown to produce biologically powerful substances that probably act as hormones.

The heart substances were discovered, identified and purified in recent months. Scientists involved in the research said they expect new and better treatments for high blood pressure and some heart and kidney conditions to result from further studies of the hormone-like chemicals.

In experiments with animals, the heart substances powerfully stimulated the kidneys to excrete salt and water. In other laboratory experiments, such substances made blood vessels relax.

The researchers said the chemicals made in the heart probably act as hormones important to the function of the kidneys and the circulatory system. A hormone is a substance produced by one organ to circulate through the body and affect distant tissues. Because the heart substances have not yet been found in the blood, the scientists said it was still premature to call them hormones.

Nevertheless, the findings add a new aspect to endocrinology, the study of chemicals with hormone-like characteristics. Brain chemicals have been discovered in this category and, more recently, at least a dozen such substances, once thought unique to the brain, have been found in the intestine. Other tissues not expected to contain hormones have also been found to have hormone-like substances.

Scientists have cloned the gene responsible for making the heart chemicals, according to a report last week in the journal Nature by scientists of Cornell University Medical College and a company on the West Coast, California Biotechnology Inc.

Reproducing the gene in the laboratory should make possible large-scale production of the heart substances and further analysis of their functions in the body.

The research team has named one such compound "auricularin" signifying that it comes from the outer chambers of the heart, or auricles.

Dr. John H. Laragh, a Cornell researcher, said: "This compound is at least as powerful as the most powerful diuretics that we know of." The difference is that other diuretics, which help the body rid itself of excess fluid, are not produced within the body, while the hormone-like substances discovered recently are produced by the heart, he said.

The principal author of the re-

port of the gene cloning was Dr. Miles Yamamaka of the biotechnology company, Dr. John Lewicki, head of research there, said the researchers believed their work would "have tremendous potential in the future development of therapeutic agents."

Earlier this year, before the genetic material was reproduced in the laboratory, at least three scientific teams reported successful purification and chemical analysis of such compounds, all found in the atria, or upper chambers, of the heart.

"This is the first clear evidence of a unique heart-derived hormone system," said Dr. Philip Needleman of Washington University in St. Louis, commenting on the research from several laboratories including his own.

His group reported in January, in the journal Science, the exact chemical makeup of two closely related substances from atria of rat hearts. The substances, of a chemical class called peptides, are strings of amino acids. Dr. Needleman's report identified such amino acid and its specific location in the peptide chain. The substances have since been found in human heart tissue as well as in animals.

Orthodox Leader, Pope Move Ahead On Reunification

United Press International

VATICAN CITY — Pope John Paul II and the Orthodox patriarch of Constantinople moved forward Saturday in the process of bringing the Roman Catholic and Syrian Orthodox churches a step closer to reunification.

The document, signed Saturday by the pope and Patriarch Moran Mar Ignatius Zakka I Iwas, affirmed the commitment of both leaders to work for full union between the two churches.

The statement stopped short of complete reunification but contained permission for church members to share in three sacraments — communion, penance and anointing of the sick. It does not permit priests from the two churches to celebrate Mass together.

The Syrian Orthodox church, with 200,000 members primarily in the Middle East but also in the United States and India, broke with Rome 15 centuries ago because of disagreements over the nature of Christ.

"We find today no real basis for the sad divisions and schisms that subsequently arose between us," the pope and the patriarch said in their statement.

Reagan Hopes to Signal Interest in Soviet Talks

By Walter Pincus

Washington Post Service

WASHINGTON — President Ronald Reagan will address a privately sponsored conference here this week on scientific and cultural exchanges with the Soviet Union to dramatize his interest in reopening negotiations with Moscow in non-weapon areas, according to a White House official.

In September, Mr. Reagan suspended talks on renewing the expired government-to-government agreement on cultural, educational, scientific and technical exchange programs as part of his response to the shooting down of a South Korean commercial airliner by the Soviet Union.

He also cut off negotiations on an agreement under which the Soviet Union would establish a new consular office in New York and the United States would open one in Kiev. The Soviet Union has shown a major interest in reopening talks in both areas, a senior U.S. State Department official said.

Mr. Reagan's interest in the exchange program is secondary to his desire to get the Kremlin to return to the suspended nuclear arms talks, the official said, but it is hoped that this sign of flexibility in an area of Soviet interest might encourage a positive response in the arms field.

The cultural exchange and consular talks were among the issues discussed Wednesday by Secretary of State George P. Shultz and Ambassador Anatoli F. Dobrynin of the Soviet Union, according to sources.

The two-day Washington conference, sponsored by the Kennan Institute for Advanced Russian Studies, will include U.S. government and private agency officials discussing their exchange programs with Soviet and Eastern bloc countries.

On Wednesday, a new accord between the American Council of Learned Societies and the Soviet Academy of Sciences, which is the oldest agreement for exchange of senior scholars, was finally signed. It came a month late because the Soviet side refused to sign, at the specific insistence of Foreign Minister Andrei A. Gromyko, until a Soviet mathematician in the United States had returned home after vacillating about his decision.

The National Academy of Sciences, suspended some of its programs with the Soviet academy in

1980 and recently refused to resume discussions to restore them because of the Soviet treatment of Andrei D. Sakharov, the physicist and human rights advocate.

Even the consular agreement has its opponents within the administration. A top Reagan official said last week, such as the U.S. agencies that would have to deal "with the spies attached to the new office."

There have been hints that now the Kremlin would rather put the new consulate in Boston. Since there already is a United Nations diplomatic mission in New York.

On defense issues, such as anti-satellite weapons, space defense against ballistic missiles and underground testing of nuclear weapons, the Kremlin sometimes presents a confusing picture. While the Soviet Union appears to be holding firm on any weapons concessions, a U.S. Navy delegation reported after talks in Moscow this month that the Kremlin was expected to stop interfering with U.S. warships.

Egypt's President Offers to Resign After Two Terms

The Associated Press

CAIRO — President Hosni Mubarak has offered to step down after a second six-year term in a gesture toward furthering democracy in Egypt.

In a speech to the opening session of the Egyptian parliament Sunday, Mr. Mubarak said that some people had suggested he resign as chairman of the National Democratic Party in return for ensuring him the presidency for life.

"I think any presidential term should be within a certain time frame and not forever," Mr. Mubarak said. "I believe that any president should not stay for more than two terms, and I would be happy to be the first president to have this applied."

In another development, the Egyptian government chose an ambassador to the Soviet Union in a move toward full reconciliation of relations, which have been strained for more than a decade.

Foreign Ministry sources said Saturday that Salah Bassiouni, head of the ministry's Policy Research Department, will fill the post that has been vacant since 1978.



President Francois Mitterrand of France pins the Legion of Honor to a flag in a ceremony honoring the city of Volgograd, formerly Stalingrad, for its valor during World War II.

Mitterrand Calls for Reconciliation In a Tribute to Wartime Stalingrad

By Seth Mydans

New York Times Service

MOSCOW — President Francois Mitterrand of France ended his three-day visit to the Soviet Union on Saturday in Volgograd, where he saluted the memory not only of the victorious Soviet Army, but also of the Germans and their allies who fell in the battle of Stalingrad.

That battle marked the end of the road for German invaders on the Russian front and the start of their long retreat to Berlin. The name of the city was changed to Volgograd in 1961, during the de-Stalinization period.

After laying a wreath at an eternal flame, Mr. Mitterrand said, "Today's reconciliation supersedes the rifts of yesterday."

The French leader took leave in Moscow from Konstantin U. Chernenko, the Soviet leader, and Foreign Minister Andrei A. Gromyko. He returned to Paris on Saturday night from Volgograd.

Mr. Mitterrand appeared to take care not to say anything that might offend the Russians with his call for reconciliation. But his insistence that both the Eastern and Western fronts were important to the World War II victory ran counter to the mood in Moscow.

The stress here is on the Soviet role as the country prepares for 40th anniversary next May of the victory over Nazi Germany.

Remembrances of the war carry with them persisting bitterness against the German invaders and pride in the belief that it was the

Russians who suffered the most, with an estimated 20 million dead. Mr. Mitterrand praised the bravery of Russian soldiers who, he said, "decided the fate of the world" in Stalingrad. But he also noted that the Germans suffered the greatest casualties in that battle, giving a figure of 150,000 dead.

"Let us not forget those soldiers who were then on the opposite side," he said, "but with whom, as survivors, we have become reconciled — Germans, Romanians, Italians, Hungarians — all those who suffered and fell on this soil far from their homes, absurd victims of a suicidal system."

"Sons of noble peoples, they de-

serve their place in the makeup of the world in which we ourselves are involved," he added.

Mr. Mitterrand awarded Volgograd the Legion of Honor, pinning the medal to a scarlet flag held by Mayor Vladimir I. Atopov.

He then visited a huge monument complex on Mamayev Hill, overlooking the Volga River. The hill was the site of the fiercest fighting in the battle, which went on from September 1942 until Feb. 2, 1943, when the German 6th Army surrendered.

Mr. Mitterrand spoke plainly in Moscow on sensitive subjects, including the plight of Andrei D. Sakharov, the dissident, and on Afghanistan and Poland. However, the atmosphere of the visit was cordial and both sides said they believed it had been useful.

Japanese Meet Sakharov Kin
Alexei Semenov, stepson of Mr. Sakharov, has met with Japanese Foreign Ministry officials and asked for diplomatic support for his mother and stepfather. The Associated Press reported from Tokyo, citing a ministry spokesman.

Mr. Semenov, who arrived Thursday in Japan with his wife, Lisa, met with Vice Foreign Minister Nobuo Matsunaga and Isai Nomura, chief of the ministry's Soviet division. In a 30-minute meeting with Mr. Matsunaga, Mr. Semenov called on the Japanese government to publicly express its support and concern for his stepfather and mother, Yelena G. Bonner, the official said.

Pravda Commentary on Visit
The Communist Party newspaper Pravda, commenting Sunday on the Mitterrand visit, said it showed that the United States could not completely dictate to its North Atlantic Treaty Organization partners. The Associated Press reported.

A separate commentary in Pravda, while making no mention of Mr. Mitterrand's statements on human rights, said some Western figures were trying to teach the Soviet Union about human rights and said they were apologists for a troubled capitalist system. Pravda said France and the Soviet Union attached particular significance to the need to ban weapons from space.

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NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mat.	Coup. %	Price	Yield at offer	Price end week	Terms
FLOATING RATE NOTES							
Banca Nazionale dell'Agricoltura	\$75	1991	1/4	100	98.93		Over 6-month Libor. Minimum coupon 54%. First callable at par in 1985. Depositary receipts. Commission 0.25%.
CEPME	\$200	1996	1/4	100	99.60		Below 6-month Libor. Minimum coupon 54%. 20% redeemable in each of the years 1989, 1992 and 1994, and remaining 40% redeemable at maturity. Redemption may be in dollars or sterling at a fixed exchange rate of 1.377 per dollar. \$100 million issued now and \$100 million reserved for a 3-month top.
FIXED-COUPON							
Bank of Nova Scotia	\$100	1987	13%	100	13%	98.00	Noncallable. Deposit notes.
Bank of Tokyo Holdings	\$100	1991	13%	100	13%	97.38	Noncallable.
Commerzbank Overseas Finance	\$100	1988	13%	100	13%	96.75	Noncallable. Each \$5,000 bond with 5 warrants each exercisable at par into a \$1,000 note of company's 13% of 1991, noncallable. Warrants valued at \$178 each, making the price of the package 101.96%. Package ended the week of 98.50, with warrants at \$1.05.
GMAC Overseas Finance	\$200	18 mos	12%	100	12%	99.13	Callable at par in 1985.
Kyushu Electric Power	\$50	1989	13%	100	13%	99.63	Noncallable.
Mount Isa Finance	\$100	1987	13%	100	13%	97.50	Noncallable.
PKBanken	\$50	1987	13%	100%	13.34	97.50	Noncallable.
Tokyo	\$50	1994	12%	100	12%	98.13	Noncallable.
McDonalds Finance	DM 100	1994	7%	100	7%	99.13	First callable at 102 in 1990.
Eurofima	ECU 40	1992	11	100	11	98.63	First callable at 101 in 1990.
Girozentrale & Bk der Oesterreichischen Sparkassen	CS 60	1991	14	100%	13.94	98.00	Noncallable.
New Zealand	DF 100	1989	8%	100	8%		Noncallable private placement.
EQUITY-LINKED							
Elders	\$160	1994	11%	93	12.38	93.13	Redeemable at par in 1987, 1988 and 1989. Convertible at a 22% premium.
Morri	\$100	1999	3%	100	3%	96.00	First callable at 104 in 1988. Convertible at 1.162 yen per share, a 4.850% premium.
OSG Manufacturing	\$20	1999	3%	100	3%		First callable at 103 in 1989. Convertible at 664 yen per share, a 39% premium. Exchange rate set at 235.85 yen per dollar.

Eurobond Market Takes a Beating

(Continued from Page 7)

restores that lost fee and uses it to create the trust fund.

The commission was lost in any event since Merrill obviously was sitting on a very large holding that it could not sell. The main point for Merrill is that it got this otherwise unsaleable paper off its books.

That still leaves 1/4 percent of the original commission intact, which amounts to about \$2.2 million. In addition, the swap of the trust's floating-rate income for fixed-rate funds is "very profitable" for Merrill, company executives report.

As a result of the swap, investors buying the new package accept not only Sweden's credit but also Merrill Lynch's. If Libor is 12 1/4 percent or higher, the income from the trust will definitely generate the money needed for the promised 1/4-percent additional income. (Anything over 12 1/4 percent, allowing for expenses, is profit for Merrill Lynch). In that case, the new package, like the old, is a 100-percent guarantee by Sweden.

But if Libor falls below that level, the swap will be required to provide funds to the trust to enable it to make the additional 1/4-point payment. (This may or may not be a cost to Merrill, depending on how it hedges the risk.) Merrill Lynch calculates that in a worst-case scenario, Sweden's guarantee of interest payments would cover only 97.3 percent with the remainder guaranteed by Merrill.

This still leaves the trust, which, at maturity, will have \$10 million in cash, after the notes are redeemed. That cash will be paid as a bonus to noteholders who will redeem their paper not at par but at 102 percent of face value, thus raising the effective yield of the notes to 4 1/4 basis points over Libor.

Despite the complexity, the market response to the restructuring appeared favorable and the new package was quoted at about par. For the most part, Merrill's competitors praised the operation. "It's brilliant," said a senior officer of another firm.

Dealers noted that as the price of National Westminster Bank's perpetual floater paying 3/4 point over Libor is trading over par, the terms on the Swedish paper now appear very competitive.

Also well received last week was a \$100-million FRN for CEPME, a French state credit agency. Its 12-year notes offer a margin of 1/4 point below Libor. The catch in this issue is that it can be redeemed in stages — 20 percent in 1989, 1992 and 1994 and 40 percent at maturity — for sterling at a fixed exchange rate of \$1.377 a pound. This is especially attractive for

U.K.-based investors who can currently borrow six-month sterling at 10 percent and earn 12 percent on the FRN, pocketing 200 basis points of interest without running any foreign-exchange risk. And for those willing to speculate on a decline in the dollar and a rise in the value of sterling, the paper represents a very low-cost and long-lived put option on the dollar or call option on the pound.

In addition to the initial offering, CEPME said it intended to tap into the market over the coming three months as much as another \$100 million of notes if conditions permit. By late Friday, with the initial amount sold, managers had begun to sell some of the notes that had been reserved for the tap.

In the fixed-rate sector, General Motors Acceptance Corp. was back in the market offering \$200 million of 18-month notes at par bearing a coupon of 12 1/4 percent.

The short maturity failed to engender much enthusiasm because of the low coupon of 12 1/4 percent. By comparison, one-year Eurodollar deposits pay 13 1/4 percent. Deposits, of course, are not negotiable and sums of less than \$1 million earn less than that.

But some dealers said they liked the paper because the first coupon payment was in six months, effectively raising the yield and also raising the appeal of the call feature. The fact that the notes can be redeemed after one year was widely regarded as a further disincentive to buy the paper, but proponents noted that the yield to call was an attractive 100 basis points over equivalent U.S. Treasury notes.

Tokyo's \$50-million offering, guaranteed by Japan, was well received considering the market's distaste for 10-year paper. Priced at par and bearing a coupon of 12 1/4 percent, the bonds ended the week at 98 1/4. The proceeds were used for a swap into yen.

Better tuned to the current preference for short-dated paper was Kyushu Electric Power's \$50 million of five-year notes. Priced at par bearing a coupon of 13 1/4 percent, these ended the week at 99 1/4. But Mount Isa's \$100 million of shorter-dated, more-expensive, 13 1/4-percent, four-year notes fared less well, ending the week at 97 1/4.

The other dollar issues were for banks — Bank of Nova Scotia, Bank of Tokyo and PK Banken — and a giant of bank paper hurt them. The worst was Commerzbank's \$100 million of four-year notes offering a 13 1/4-percent coupon.

Each \$5,000 note carries five warrants, good for four years, to buy five \$1,000, 13 1/4-percent bonds maturing in 1991. The warrants, priced at \$17 1/4 each, were deemed to be good value for the money. But the coupon on the notes was not appealing.

Commerzbank was widely criticized for introducing the offering on Wednesday, the day before a holiday in Frankfurt, which meant there was no support for it on Thursday. Despite business as usual on Friday, the bank still neglected to support the pre-sale trading and the price dropped to 96 1/4. The warrants did better, ending the week at \$16 1/4.

The Deutsche mark sector remained unresponsive due to the continuing strength of the dollar on the foreign exchange market, the rise in U.S. interest rates and the continuing strike by metal workers. McDonald's, benefiting from the rarity value of U.S. names in this market, was able to sell 100 million DM of 10-year bonds at par bearing a coupon of 7 1/4 percent. But a private placement for a Finnish steel firm had to be canceled.

The ECU market had a better tone thanks to the higher coupon it offers. Eurofima tapped the market for 40 million units, paying a coupon of 11 percent for eight years.

\$3-Billion Refinancing Smoothing Out Sweden's Debt Profile

By Carl Gewirtz

PARIS — Sweden ironed out a major kink in its debt profile last week when it announced plans to refinance the bulk of its remaining commercial bank credits with a new \$3-billion, 10-year loan.

As a result of this operation and others over the past 12 months, Sweden has succeeded in restructuring 40 percent of the debt that was to have matured between 1985 and 1989, pushing repayment into the next decade.

In the past year, Sweden has refinanced \$4.5 billion of drawn syndicated bank credits — just over 25 percent of the total \$16 billion in foreign debt outstanding. The latest operation, which is expected to be one of the last, is replacing \$3.5 billion of credit lines from which only \$1 billion has actually been drawn.

The new facility, notable for its flexibility, is expected to be used as a bridge financing to cover Sweden's needs between forays into foreign capital markets. In addition to drawing on the loan, Sweden has the option of trying to sell banks short-term advances or Eurobonds.

Lead managers, that is, banks taking \$75-million or \$100-million

slices of the new loan, will be asked to offer terms to buy these short-term instruments. Eurobonds would be negotiable paper that the banks could sell to investors; advances would be taken and held by subscribing banks wanting to increase

SYNDICATED LOANS

their assets. The notes would be for three or six months and the advances for any period up to one year.

Banks making up the tender panel would be asked to submit bids on the cost, which Sweden could accept or reject. Nothing obliges members of the tender panel to make a bid. But if they do bid and take paper this does not reduce the bank's commitment to supplying its share of the \$3-billion syndicated loan.

The reference price of the advances or notes is open and need not necessarily be pegged to the London interbank offered rate. In essence, banks can offer to price such loans over any base rate they choose.

The syndicated credit, which is the largest single Eurobond transaction undertaken by Sweden, will be priced on Libor at a cost significantly below the charges on

the outstanding lines, which will be canceled. Swedish officials said they expect to reduce the average margin over Libor by about two-thirds, a saving they conservatively calculate as totaling at least \$6.3 million a year.

The annual facility fee on the new transaction, for example, is 1/4 percent. This compares with commitment fees of 1/4 percent to 1/2 percent on the outstanding lines. In addition, the borrowing charges on the old loans were in the range of 1/2 point to 3/4 point over Libor.

The charge on the new loan is 1/4 point over Libor, increasing according to how much of the facility is actually drawn rather than the traditional graduation according to maturity. A drawing of as much as \$1 billion will cost 0.25 percent a year; as much as \$2 billion will cost 0.35 percent and more than that will cost 0.45 percent. If more than \$2 billion is drawn for any consecutive six-month period, an additional fee of 0.05 percent is to be charged.

Banks taking \$100 million participation will be paid a fee of 0.225 percent; those taking \$75 million will earn 0.1875 percent; \$40 million will earn 0.15 percent; \$20 million will earn 0.125 percent, and takers of at least \$5 million will be paid 0.1 percent.

Lead managers Morgan Guaranty Trust, Chase Manhattan, Citibank, Bank of Tokyo and Svenska International Ltd. are currently soliciting participation from all banks taking part in the outstanding credits that are to be canceled.

This is bad news for Denmark, which had so much trouble getting its \$1-billion standby facility underwritten. The underwriting was completed thanks to the inclusion of a Japanese bank in the organizing group. Industrial Bank of Japan was named as agent of the loan, thereby enabling Japanese banks to take more than the maximum one-third of the loan they would have been restricted to under Ministry of Finance regulations. As it is, the Japanese are underwriting 41 percent of the credit.

The problem with the Danish loan is the very thin 0.05 percent commitment fee (previously 0.005 percent).

This loan is now going into general syndication and the competition with the Swedish credit, which carries an annual commitment fee of 0.125 percent, will be difficult, especially as Sweden historically has paid less to borrow than Denmark.

Managers of the Danish loan emphasize that it is designed not to be drawn and if it is will pay attractive rates more generous than Sweden's. But this defense finds few supporters in the market.

The \$500-million credit currently being organized for state-owned

Electricite de France has received a very strong response and is likely to be increased a second time to as much as \$800 million. The operation started out as a \$400-million facility and at the time EDF was said to be interested in a maximum of \$600 million.

The 10-year loan carries an annual commitment fee of 10 basis points and the cost of drawings is graduated according to usage rather than by maturity.

Still being organized is the \$500-million revolving underwriting facility for Spain. Only \$400 million has been underwritten so far but lead manager Merrill Lynch reports that it will be completed.

Note facilities such as these are becoming increasingly popular and controversial. They are popular with banks because a syndicated credit is turned into a marketable instrument; banks can take the paper into their own portfolio or sell it to customers.

The controversy is twofold. What makes these notes salable is

the fact that at every three- or six-month maturity date, holders can redeem the paper for cash. If new notes cannot be sold, the underwriting banks are obliged to take the paper. This commitment to take the paper represents a contingent liability of the underwriters and how they account for this on their books is now a subject of study by banking supervisors.

In addition, underwriters are often invited to bid competitively for the notes, raising questions about whether this system invites overly aggressive terms to be offered.

As expected, the Electricity Generating Authority of Thailand is in the market seeking \$200 million to repay older, more expensive loans. The bulk of the new operation, \$120 million, will run for 10 years and \$80 million will have a maturity of eight years. Interest on both portions is set at a thin 1/4-point over Libor. Fees average 0.45 percent with slightly more paid on the 10-year portion and slightly less on the eight-year part.

Financial Corp. Drops Offer for Stock Swap

By Thomas C. Hayes

New York Times Service

LOS ANGELES — Refusing to bow to an unusually harsh list of conditions being considered by regulators, Financial Corp. of America on Friday withdrew its offer to swap a new issue of \$225 million in debt for one-fourth of its outstanding common stock.

The restrictions contemplated by the staff of the Federal Home Loan Bank Board would have stiffened Financial's net worth minimum to 4 percent each quarter rather than at year-end, required it to reduce its underwriting of new fixed-rate mortgages sharply and limited the company's asset growth to the average for the thrift industry, which was 18 percent over last year.

Charles W. Knapp, chairman and chief executive, said he and other executives at the company, parent of the largest U.S. thrift institution, with \$27.9 billion in assets at the end of March, felt that the bank board's restrictions would have sharply impaired the company's flexibility to react to market conditions.

"This strikes at the heart of our business plan," he said. "We have no choice but to terminate the exchange offer because of these restrictions."

More than 917,000 shares of Financial were traded on the New York Stock Exchange Friday, the stock falling \$1.125, to \$12.875.

Douglas Green, a spokesman for the bank board, said the staff's recommendations had not yet been presented to the three-member bank board for a vote. While he confirmed the existence of the proposed guidelines, he said it would be "inappropriate" to comment on them.

One analyst, who asked not to be identified, said that the attitude of the bank board staff, which typically reflected the position of the three board members, could evoke caution among the institutions, which make up more than 50 percent of Financial's depositors, and force Financial to pay more to attract funds in the coming weeks. The company now pays about 13 percent on 90-day, uninsured certificates above \$100,000, compared with rates around 11 1/2 percent for most major banks.

Ernest Leff, a lawyer in Beverly Hills, California, who specializes in the thrift industry, said the bank board's conditions indicated that its chairman, Edwin J. Gray, was taking an increasingly cautious view toward the industry.

Financial, which reported assets of \$6.6 billion at the end of 1982, acquired American Savings & Loan Association, with \$9.3 billion in assets and based in Stockton, California, last year. It finished 1983 with \$22.7 billion in assets. Mr. Knapp reiterated Friday his previously announced goal of adding \$10 billion to Financial's assets in 1984.

Mr. Knapp was careful to avoid criticism of the regulators, saying they were trying to do a "difficult" job. He added that the bank board might also have been influenced by worries about the health of major financial institutions. Still, he added, "we as a company are relatively bothered by this attempt to re-regulate through the application process."

In a prepared statement, Mr. Knapp indicated that Financial would soon begin buying back more of its own shares. Its employee stock ownership plan acquired 2.3 million shares of its 42.6 million outstanding shares earlier this year.

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In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 25th June, 1984 to 27th December, 1984 the Notes will carry an Interest Rate of 12 1/4% per annum. The interest payable on the relevant interest payment date, 27th December, 1984 against Coupon No. 13 will be U.S.\$66.16.

By Morgan Guaranty Trust Company of New York, London Agent Bank

Franklin Computer Seeks Protection

By Michael Blumstein

New York Times Service

NEW YORK — Franklin Computer Corp., the only major maker of a personal computer designed to be compatible with Apple Computer Inc. systems, has filed for reorganization under Chapter 11 of the Federal Bankruptcy Act.

In a statement Friday, the company attributed its troubles to "declining sales resulting from general softness in the computer industry," as well as its extended litigation with Apple over copyrights. Frank-

lin also said that it had trouble obtaining parts for its CX line of portable computers, which is now due-out in September.

Analysts also blamed aggressive price-cutting by Apple in recent months for Franklin's troubles.

Franklin, a privately held company based in Pennsauken, New Jersey, is the first major maker of a compatible system to file for reorganization. But analysts have predicted several such failures by the end of the year among the many companies that make machines

compatible with those of International Business Machines Corp. Chapter 11 proceedings are meant to protect a company from its creditors while it seeks to work out a way to pay its debts. Franklin was founded in July 1981; like many start-up companies in the computer industry, it grew rapidly. For its first full fiscal year ended March 31, 1983, revenue was \$28 million. For the year ended March 31, 1984, sales had jumped to \$71 million. The company has said it did not show a profit last year.

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May, 1984

The 1984 Herald Tribune Audience Survey

A message to our readers from Lee W. Huebner, Publisher.

The International Herald Tribune is unique in being a worldwide newspaper, with more than 153,000 copies sold each day in 164 countries. But this international distribution also presents us with a unique problem: how can we learn about our readers, their interests and characteristics?

We need to know about you. Whether you are a regular reader or someone who is seeing the paper for the first time—whether you are traveling or at home—whether you are reading in an office or a cafe or an airplane—we very much need your help, right now, in order to give an accurate picture to our editors and to advertisers.

Won't you please take a few minutes to complete this confidential questionnaire and return it to Research Services Limited, the independent, London-based organization which conducts the survey for us? If you are rushed, won't you at least pull out this page and save it until a moment is available to you?

You can return the questionnaire either using the folding instructions on the reverse or your own envelope. As a gesture of our appreciation we will make a charitable donation of one U.S. dollar for each participant. The results of the survey and the total contributed to each charity will be published in September.

This audience research is extremely important to us—and we earnestly hope for your cooperation.

With our warmest thanks,

Lee W. Huebner

Please indicate which charity you prefer:

- ☐ CANCER RESEARCH
☐ UNICEF
☐ INTERNATIONAL RED CROSS

Your Reading

1. Where did you obtain this copy of the newspaper?

- Postal subscription: At home ☐ Hotel delivered ☐
Postal subscription: At work ☐ Bought at newsstand ☐
Home delivered ☐ Airplane ☐
Office-delivered ☐ Elsewhere ☐

2. How often do you usually read or look at the International Herald Tribune?

- 5-6 days a week ☐ Less often than once a week ☐
3-4 days a week ☐ First time reader ☐
1-2 days a week ☐ Only see when traveling ☐

3. How many other people (including household and/or business colleagues) usually read your copy of the IHT?

- One ☐ Four or more ☐
Two ☐ No-one else ☐
Three ☐ More than one, but don't know how many ☐

We will pass to the editors (anonymously of course) any comments you wish to make about the IHT. Space is provided on the reverse side. But first may we ask you to complete the rest of this page?

International Communications & Travel

4. Approximately how many times in the last month in your business or professional capacity have you...

- Made or received any international telephone calls:
None ☐ Once ☐ 2-4 times ☐ 5-10 times ☐ 11+ times ☐
Made or received telephone calls to/from North America:
None ☐ Once ☐ 2-4 times ☐ 5-10 times ☐ 11+ times ☐
Sent or received international telexes or facsimiles:
None ☐ Once ☐ 2-4 times ☐ 5-10 times ☐ 11+ times ☐
Freighted or couriered documents internationally:
None ☐ Once ☐ 2-4 times ☐ 5-10 times ☐ 11+ times ☐

5. Approximately how many business air trips have you taken during the last 12 months?

- None ☐ 1-5 ☐ 6-11 ☐ 12-24 ☐ 25+ ☐

6. Which of the following destinations have you flown to on business in the last 12 months?

- Australia/N.Z. ☐ U.S.A. East Coast ☐ Singapore ☐
Rep. South Africa ☐ U.S.A. West Coast ☐ Hong Kong ☐
Africa ☐ Other U.S.A. ☐ Other S.E. Asia ☐
Central/S. America ☐ European countries ☐ Gulf States ☐
Canada ☐ Japan ☐ Saudi Arabia ☐
Other Arab States ☐

Any other destinations ☐

(Write in)

7. Which class of air travel do you normally use on business trips a) for long trips (over four hours) and b) for short trips (up to four hours)?

- Long trips (4+ hours) Short trips (under 4 hours)
First class ☐ ☐
Business class or equivalent ☐ ☐
Full fare economy ☐ ☐
Other ☐ ☐

Your Business Life

8. Do you work in an establishment employing five people or more?

- Yes ☐ Go to Q. 9 No ☐

If no, are you...

- a) Otherwise employed ☐ Write in occupation
Or b) Not in employment (check appropriate box below).

- Retired ☐ Housewife ☐
Student ☐ Other ☐

If you have checked a or b above, continue on with Q. 14.

9. How many people are there in the establishment in which you work, including yourself? (By establishment we mean the whole of the premises under the same ownership or management at a particular address).

- 5-9 ☐ 100-999 ☐
10-49 ☐ 1,000-4,999 ☐
50-99 ☐ 5,000+ ☐

10. What is your company's principal activity?

- Agriculture/Forestry/Fisheries/Mining ☐ Banking ☐
Oil Industries ☐ Insurance ☐
Engineering/Construction ☐ Stockbroking/Investments ☐
Computers/Data Processing ☐ Management Consultancy/Accounting Services ☐
Consumer Goods Manufact. ☐ Other Financial Services ☐
Other Manufacturing ☐ Advertising/PR/Publishing/Broadcasting ☐
Public Utilities ☐ Legal or Medical Services ☐
Distribution, Wholesale/Retail, Imports/Exports ☐ Education ☐
Transportation/Tourism ☐ Arts, Entertainment ☐
Government/Civil Service ☐ Other Business or Professional Services ☐
Armed Forces/Police ☐ Other ☐ (Write in)

11. What is your job title or position?

- Proprietor/Partner ☐ Middle Management ☐
Chairman/President ☐ Executive Staff ☐
Managing Director ☐ Clerical ☐
Senior Management ☐ Other ☐

Check box and write in title

12a. In which, if any, of these financial areas are you wholly or partly responsible for company decision-making? (Check all which apply).

- Domestic Banking Relations ☐ Portfolio/Pension Fund Management ☐
International Banking Relations ☐ Money Market/Foreign Exchange Management ☐
Corporate Finance/Development ☐ Insurance Services ☐
None of these ☐

12b. For which of the following goods and services are you part of the Management team which is usually responsible for company decision-making? (For each category listed, check level of involvement).

- Computer and Office Equipment
Computers: Main frame (\$25,000+) ☐ Responsible ☐ Not Responsible ☐ Not relevant to company ☐
Minis (\$10,000-25,000) ☐
Micros (under \$10,000) ☐
Other Terminals ☐
Software purchase/Bureau selection ☐
Office Photocopiers ☐
Facsimile Equipment ☐
Word Processors ☐
Telephone Systems/Switchboards ☐
Network Systems ☐
Other Telecommunication Equip. ☐
Goods and Services
Company Cars ☐
Aircraft and related equipment ☐
Business Premises/Industrial Site Selection ☐
Plant/Plant equipment ☐
Scientific Instruments ☐
Conference/Exhibition/Trade Fair Services ☐
Advertising/Marketing Services ☐
Executive Recruitment ☐

13. Do you have responsibility for the policies or operations of your company outside the country in which you are currently based?

- Yes ☐ No ☐ Company only operating in one country ☐

About You ...

14a. In which country are you currently resident?

Write in 30-31

14b. Of which country are you a citizen?

Write in 52-53

14c. How long have you been living in your present country of residence?

- Less than six months ☐ 6-12 months ☐ 1-5 years ☐ More than 5 years ☐

15. Are you ...

- Male ☐ Female ☐

16. What is your age?

- Under 25 ☐ 35-44 ☐ 55-64 ☐
25-34 ☐ 45-54 ☐ 65 or over ☐

17. Which educational level have you obtained?

- Doctorate/Higher university degree ☐
University degree/equivalent professional qualification ☐
Secondary or High School ☐
Other ☐

... And Your Household

18. How many adults and children, including yourself, are in your household?

- One ☐ Two ☐ Three ☐ Four or more ☐

19. How many cars are there in your household (including company-owned cars)?

- None ☐ One ☐ Two ☐ Three or more ☐

20. How many times have you/members of your household made/received personal international telephone calls in the last month?

- All international calls ☐ None ☐ Once ☐ 2-4 times ☐ 5-10 times ☐ 11+ times ☐
To/from North America ☐ None ☐ Once ☐ 2-4 times ☐ 5-10 times ☐ 11+ times ☐

21. Which of the following do you or members of your household own?

- Stocks & Shares (excluding Government securities) ☐ Collectables: antiques, paintings, coins, stamps, etc. ☐
Stock Options ☐ Gold ☐
Commodities ☐ Other precious metals/gems ☐
Currency Options ☐ Main home ☐
Eurobonds ☐ Second home ☐
Corporate Bonds ☐ Other land/Real Estate ☐
US Municipal Bonds ☐ None of these ☐
Other Bonds ☐
Mutual Funds/Unit Trusts ☐

22. Which if any of these cards do you use nowadays?

- Access/Mastercard ☐ Barclaycard ☐ Diners Club ☐
Eurocard ☐ Carte Bleue ☐ ATC ☐
American Express Gold ☐ Visa Gold ☐ None of these ☐
American Express ☐ Visa ☐

23a. Into which of the following groups does your household annual income before tax from all sources fall? (Check in US\$ or write in your own currency).

- Up to \$25,000 ☐ \$100,000 to under \$150,000 ☐
\$25,000 to under \$50,000 ☐ \$150,000 to under \$200,000 ☐
\$50,000 to under \$75,000 ☐ \$200,000 to under \$250,000 ☐
\$75,000 to under \$100,000 ☐ \$250,000+ ☐

Or annual income in own currency (Write in)

23b. What is the main currency in which you receive your salary from employment?

Write in name of currency Not in employment ☐



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6th June 1984

Mr. Lee Huebner,
International Herald Tribune
181 Avenue Charles de Gaulle
92200 Neuilly sur Seine
France

Dear Lee

Thank you for commissioning us to undertake the 1984 Audience Survey.

We guarantee to process all the replies received with absolute confidentiality. Information relating to individual replies will be analysed in a statistical form only. No personal information will be passed to anyone outside our organisation.

We will supply the overall results of the survey to you for publication in the IHT in September 1984.

With best wishes

Yours sincerely

Dawn Mitchell

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Mr J Gillingham
Mr J Gillingham (Managing Director)
Mr Gillingham
Mr Gillingham
Mr Gillingham
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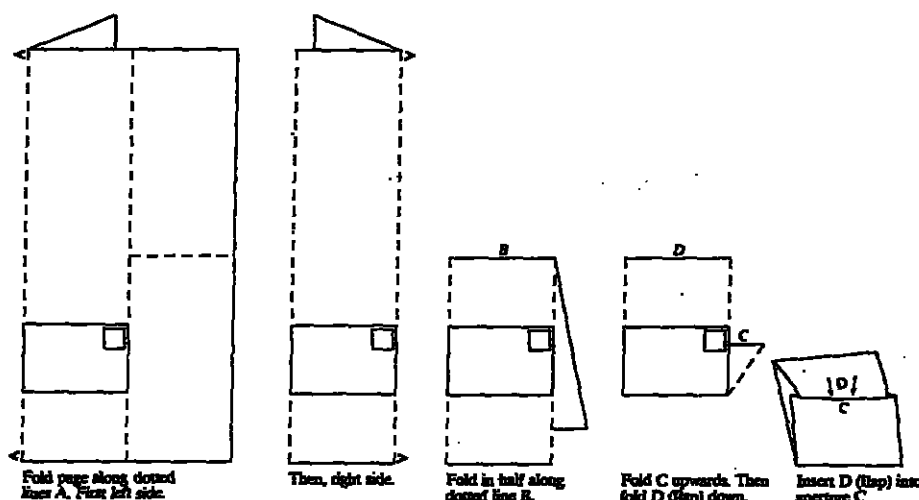
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**The Daily Source for
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(Continued on Page 13)

SPORTS

Platini Sends France into Soccer Final

ARSENAL — France reached the final of the European soccer championship when Michel Platini scored the winning goal in the dying seconds of extra time to give the French a 2-1 semi-victory over Portugal on Saturday.

France will meet the winner of a semi-final match that was played Sunday in Lyon. The French came back from the French trainer, Michel Platini, said after the match. "The French scored in extra time. I thought our dream of reaching the final was shattered," Platini said. "The Portuguese put us through every conceivable test. But our players showed enormous strength of character in continuing to believe in ourselves and continuing to fight till the end."

France's manager, Fernand Sastre, visibly tired and upset,

said: "When we scored in extra time I thought we had the game won. You know I said before this match it would be like a final, and that's the way it turned out. I only hope the final will be as great."

For once it was not Platini who set France on the winning trail. Although the French captain was the indirect cause after he was brought down by Jaime Pacheco just in front of the penalty area after 25 minutes.

Platini had scored from much the same spot with a free kick in the 3-2 victory over Yugoslavia four days earlier. But while all eyes were on him, fullback Jean-François Domergue stepped up to drive a left-footed shot inside the right post of Portuguese goalkeeper Manuel Bento.

After a cautious first half that was dominated by tight marking and strong defensive play, Portugal brought on strikers Fernando Gomes, in the 46th minute, and

Tamagmini Nene, in the 63d minute, and the game opened up.

Alain Giresse and Platini were thwarted time and again only by the brilliance of Bento.

But Portugal belied its role as the underdog, refusing to submit to the French pressure.

Fernando Chalana, returning from a knee injury in the last match against Romania, tormented the French defense from his midfield position and after 74 minutes set up the tying goal.

Chalana looped over a swirling cross from the left to striker Rui Jordao at the right post and the striker headed home past French goalkeeper Joel Bats.

Platini came close to clinching the game for France without the necessity of extra time. With 10 minutes left in regulation time Bento was forced to scramble Platini's shot and Didier Six follow-up shot rebounded off the crossbar.

An 88th minute Platini free-kick

was deflected away for a corner, sending the game into a nerve-shattering 30 minutes of extra time.

In the eighth minute of extra time, Chalana, flitting everywhere, ran Domergue ragged on the right and crossed for Jordao, over on the left, to hit it on the volley. Jordao's kick bounced awkwardly but over Bats and into the net for a 2-1 lead.

But Domergue, with six minutes left in extra time, gained possession of the ball in a goalmouth melee after Platini had been obstructed and sent the ball from the left into the far corner. The fullback started for the team only after Manuel Amoros was suspended for hitting Denmark's Jesper Olsen in the tournament opener.

Then, with less than one minute to go, the Jean Tigana worked the ball up into the Portuguese penalty area, once more and centered to Platini, who drove home the winner, his eighth goal in four games.



France's Platini sends the winning goal past goalkeeper Bento and Pereira of Portugal.

Piquet Wins Grand Prix In Detroit

The Associated Press

DETROIT — Nelson Piquet, the defending world champion and driving a BMW-powered Brabham, charged to his second straight Formula One victory, running away with Sunday's crash and attrition-filled Detroit Grand Prix.

Just six of the 26 starters were running at the end of the grueling 64-lap race over the 2.5-mile (four-kilometer), 20-turn circuit winding through downtown Detroit.

Rookie Martin Brundle of England was a closing second in a Tyrrell, followed by Elio de Angelis of Italy in a Lotus, and Teo Fabi of Italy in the other Brabham.

The other cars still running at the end were the McLaren of Alain Prost of France, the world championship point leader, and the Williams of Jacques Laffite of France. Both Prost and Laffite were a lap behind the winner.

Piquet, who won the Canadian Grand Prix on June 17 and started from the pole in both races, led every lap.

The start of the race was marred Sunday by a crash that halted the activity almost before it began.

There were no injuries reported and officials immediately stopped the race. They said the first lap did not count and that the race would be restarted, with any of the drivers involved in the accident allowed to start in available backup cars.

The incident occurred when Nigel Mansell of England, starting from the second row, tried to squeeze between Piquet and Prost as the 26-car field accelerated toward the first turn.

The three cars banged together and the right rear of Piquet's Brabham bounced into the air, the car slid to the right and pinned second-row starter Michele Alboreto's Ferrari against the concrete wall.

"There was a gap in the middle and I tried to jump between them," said Mansell. "All of a sudden, they both started to come together. I had nowhere to go. I took a bang in the front and a bang in the rear, but I guess my car is all right."

Prost managed to drive his McLaren through with no apparent damage, but several cars starting near the rear of the field then got involved.

Sanberg, With 7 RBIs, Leads Cubs Past Phillies

Compiled by Our Staff From Dispatches

CHICAGO — Dave Owen singled home Ron Durham from first base with the winning run in the 11th inning Saturday, helping the Chicago Cubs post a 12-1 victory over St. Louis.

Durham opened by drawing a walk off Ruckner (1-1). After Jeff Lahti relieved, Durham stole second and took third on Darrell Porter's throw into center field. St. Louis intentionally walked Keith Moreland and Jody Davis before Owen, batting for pitcher Lee Smith (4-4), singled over the drawn-in infield for his first game-winning hit.

Ryne Sanberg had five hits, including two game-tying home runs, and seven RBIs for the Cubs. He tied the game, 9-9, with a leadoff homer in the ninth off reliever Bruce Sutter and tied it again, 11-11, with a two-out, two-run homer in the 10th off Sutter.

Willie McGee became the first Cardinal since Lou Brock on May 27, 1975, to collect a single, double, triple and home run in one game. McGee, who drove in six runs in the game, hit a bases-loaded triple

Major League Standings

NATIONAL LEAGUE

TEAM	W	L	PCT	GB
New York	37	26	.589	0
Philadelphia	36	31	.538	1
Chicago	37	31	.544	1 1/2
Montreal	34	35	.493	5
St. Louis	34	37	.479	6
Pittsburgh	28	40	.412	10 1/2

AMERICAN LEAGUE

TEAM	W	L	PCT	GB
Toronto	43	18	.703	0
Baltimore	40	21	.658	1 1/2
Boston	38	22	.636	1 1/2
New York	38	29	.569	2 1/2
Milwaukee	29	39	.429	11 1/2
Cleveland	27	39	.409	12 1/2

WEST

TEAM	W	L	PCT	GB
San Diego	40	28	.588	0
Atlanta	39	32	.547	1 1/2
Los Angeles	38	35	.521	2 1/2
Chicago	33	39	.458	6
Houston	32	38	.457	7
San Francisco	26	43	.382	14

EAST

TEAM	W	L	PCT	GB
California	34	35	.493	0
Arizona	34	36	.486	1/2
Albuquerque	33	38	.465	1 1/2
Oakland	33	39	.458	1 1/2
Seattle	33	39	.458	1 1/2
Texas	29	39	.431	5
Kansas City	29	39	.431	5

In 16 years in the majors to lead Toronto past the Red Sox, 9-3.

Indians 11, Mariners 4

In Seattle, Mike Hargrove's first homer this season, a grand slam, helped Roy Smith win his first major-league game, a 11-4 Cleveland victory over the Mariners. The Indians have scored 24 runs on 26 hits in two games with the Mariners.

Twins 4, White Sox 3

In Minneapolis, rookie Dave Meier greeted reliever Juan Agosto with a pinch-hit, tie-breaking double in the eighth inning to give Minnesota a 4-3 victory over Chicago.

Yankees 5, Orioles 4

In Baltimore, Steve Kemp hit a two-run homer to tie the game in the ninth and Roy Smalley's homer in the 11th gave New York a come from behind 5-4 victory over the Orioles.

Royals 6, Angels 5

In Anaheim, California, Steve Balboni hit two two-run homers and Dan Quisenberry earned his 18th save in leading Kansas City past California, 6-3.

(AP, UPI)



HIGHER AND FASTER — Tamara Bykova of the Soviet Union Saturday broke her own world high jump record by one centimeter when she cleared 2.05 meters (6 feet 8 3/4 inches) at the Soviet National Athletics Championships in Kiev. It was the third time in 12 months that Bykova, 25, had set a world record. On Sunday Olga Odarenko, 24, set a world record in the women's 10,000 meters, clocking 31 minutes, 1.78 seconds to break last year's 31:27.58 mark of Soviet runner Raisa Seyretlinova.

Indian Trio Drives in 10 Runs to Rout Mariners

United Press International

SEATTLE — Chris Bando, Bret Boone and Tony Bernazard combined for nine hits and 10 runs in Friday night as the Cleveland Indians pounded out 16 hits in a 13-3 rout of the Seattle Mariners.

Bando, who began the season in AAA, returned to the American League a week ago when Cleveland traded catcher Ron Hassey to Chicago Cubs, drove in four with a bases-loaded double a homer. Bernazard had four and three RBIs and Bando had three RBIs. The Indians sent nine men to the plate in the second and third innings, scoring four and five runs respectively.

Like Jeffcoat went five innings, going just one run to boost his 13th straight decision and tied to 4-7.

Tigers 7, Brewers 3

In Detroit, Larry Herndon singled home two runs in the middle five-run first inning and Willie Randolph picked up his 13th save and the Tigers past Milwaukee.

7-3. Dave Rozema (4-0) gave up five hits and three runs over six innings to stretch his Tiger Stadium winning streak to 14 games.

Red Sox 8, Blue Jays 1

In Boston, Tony Amos hit a three-run homer and Jim Rice also

homed to help the Red Sox snap an eight-game losing streak with a 8-1 triumph over Toronto.

Orioles 5, Yankees 4

In Baltimore, Rick Dempsey drove in two runs and Mike Flanagan (7-5) tossed a four-hitter over seven innings as the Orioles beat New York, 5-4.

White Sox 8, Twins 6

In Minneapolis, Harold Baines hit a two-run homer in the ninth to pace Chicago's 8-6 victory over Minnesota. Baines' homer triggered a three-run rally against Ron Davis (3-5) and made a winner of Don Spillner (1-5), whom Chicago acquired from Cleveland Tuesday.

Rangers 4, A's 0

In Oakland, California, rookie left-hander Mike Mason allowed

five hits over eight innings as Texas blanked the A's, 4-0.

Angels 8, Royals 1

In Anaheim, California, Bobby Grich hit a three-run homer and Mike Witt pitched seven scoreless innings before departing with a stiff elbow to carry California past Kansas City, 8-1. Witt (6-7) scattered five hits and struck out four to boost his AL-leading total to 87.

Dodgers 10, Braves 4

In the National League, in Atlanta, R.J. Reynolds and Candy Maldonado homered to lead a 16-hit attack and send Los Angeles to a 10-4 victory over the Braves. Earlier, the Dodgers waived 17-year veteran first baseman-outfielder Rick Monday, 38, who has 241 career home runs and 775 RBIs, but only one homer and seven RBIs this season.

Cubs 9, Cardinals 3

In Chicago, Keith Moreland hit a three-run homer during a four-run first inning and Jody Davis and Ron Cey added two-run homers to lead the Cubs past St. Louis, 9-3.

Expos 2, Mets 1

In New York, Andre Dawson's

two-run fourth-inning homer lifted Montreal to a 2-1 triumph over the Mets. It was Dawson's first home run since May 5.

Astros 10, Giants 3

In Houston, Bill Doran led a 13-hit attack with two triples, a single and four RBIs as the Astros overpowered San Francisco, 10-3.

Reds 8, Padres 7

In Cincinnati, Duane Walker raced home from third on a throwing error by center fielder Luis Salazar to score the winning run with none out in the bottom of the ninth inning and give the Reds a 8-7 victory over San Diego.

Pirates 10, Phillies 3

In Pittsburgh, Dale Berra drove in the winning run with a single in the bottom of the 13th inning to give the Pirates a 7-6 victory and a sweep of their doubleheader with Philadelphia. In the opener, Jason Thompson hit a two-run homer and Lee Lacy drove in three runs with a single and a double to lead the Pirates' 10-3 victory.

Phillies 7, Pirates 5

In Pittsburgh, Glenn Wilson and Sixto Lezcano homered to help Philadelphia and a four-game losing streak with a 7-5 victory and stop the Pirates' four-game winning streak.

Padres 5, Reds 2

In Cincinnati, Alan Wiggins singled in two runs and Carmelo Martinez homered as San Diego defeated the Reds, 5-2. Mark Thurmond (4-3) allowed four hits and one unearned run before giving way to Rich Gossage, who allowed a run in the ninth on Duane Walker's triple and Dave Concepcion's single.

Giants 7, Astros 5

In Houston, Al Oliver had three hits as San Francisco beat the Astros, 7-5.

A's 5, Rangers 1

In the American League, in Oakland, California, Tim Lincecum and Bill Caudill combined on a one-hitter to give the A's a 5-1 victory over Texas. Contray (1-3) pitched eight innings, giving up only a two-

Rosario Retains Lightweight Crown

The Associated Press

SAN JUAN, Puerto Rico — Edwin Rosario of Puerto Rico, gained a split decision Saturday over Howard Davis Jr. of the United States to retain his World Boxing Council lightweight title.

Rosario, 21, hit Davis with a stinging left hook with about 15 seconds remaining in the fight to put Davis on the canvas. It was a blow that decided the fight.

Referee Mike Jacobs of London, gave Davis a mandatory eight-count and it looked like Rosario would move in for a knockout. But the bell ended the 12-round fight.

Judges Sidney Nathan of London and Angel Tovar of Mexico gave the fight to the champion, 115-114 and 117-113, respectively. Jose Juan Guerrero of Mexico, had Davis ahead, 114-113.

"I thought the fight was even at the end of the 11th," said Rosario, who is undefeated in 28 fights. "I won in the 12th with a punishing left hook."

But Davis (26-2) saw the knockdown differently. "I thought I won. I didn't think the knockdowns should have counted against me," he said.

The stunning finish was the second time Rosario was able to knock down Davis, 28, a gold medalist in the 1976 Olympics. The first time came in the second round, when Rosario unleashed a left hook.

But Rosario was unable to do much more with the challenger, ranked No. 2 in the lightweight division coming into the fight.

Rosario seemed content to box with the taller Davis during the middle rounds. He stayed away from Davis, who had a six-inch (15-centimeter) reach advantage.

But Davis, who has outstanding speed, was never really able to capitalize on his physical advantages.

Rosario must now fight Jose Luis Ramirez of Mexico, ranked No. 1 in the division, within 90 days. Rosario took the title from Ramirez, winning a decision on May 1, 1983, in San Juan.

Prior's Comeback a Success

Aaron Pryor of the United States knocked down Nicky Furlano of Canada twice in the first round and remained in control the rest of the way Friday night to record a 15-round unanimous decision in Toronto and retain his International

Boxing Federation junior welterweight crown, AP reported.

Judge Vincent Raimone scored it, 146-138. Chuck Williams had Pryor ahead, 146-139 and Frank Brunette scored it, 148-140.

"I got a little confident too early in the fight when I put him down and he showed me what kind of man he is by going the distance with me," said Pryor, 28, who was returning from a eight-month retirement.

Prior said he now would like to meet the World Boxing Association lightweight champion, Livingstone Bramble, and suggested Furlano challenge Ray (Boon Boon) Mancini, who lost his title to Bramble earlier this month in Buffalo, New York.

The victory kept Pryor undefeated in 35 fights, 32 by knockout. Furlano, 26, ranked fifth by the IBF with a record of 37-9-1, was the first opponent to go the distance against Pryor since October 1977, a span of 27 fights.

Prior was making his first ring appearance since last Sept. 10 when he knocked out Alexis Arguello to retain his WBA title.

Greg Lemond: the Tour de France Is His Birthday Party

By Samuel Abt

International Herald Tribune

ORTRIK, Belgium — Greg Lemond will be 23 on Tuesday and, as usual, does not see much of a celebration. "This birthday is a dud," his wife, Kathy, said. One problem is that, as the world professional bicycle champion, Lemond is usually away from home during the busy month of June.

He will, in fact, be off racing in the Netherlands that day although he will return to his home here late in the evening. It could be worse. Last year he was in Hamburg and the only place he could go to celebrate was to go to a "hook place, have two or three beers and then back to our hotel to sleep," he recalled.

Lemond has learned to be low-key about birthday. Gravelly, he even refused to say a special present he could give himself that might be a victory in the Tour de France, which begins Friday. Although this will be Lemond's debut in the Tour, the world's most prestigious cycling race, the U.S. rider is one of a handful of favorites.

aggressive, even fiery, on his bicycle, Lemond off-spoken off it. Discussing his chances in the Tour de France, he started modestly. "I'm going to do as well as I can. I want to do the best I possibly can. If I don't succeed this year, I've five or six more tries."

He thought about this for a few seconds, then thinned his expectations. "At my age, if I'm in the top three or five, I'll be happy. Not any people win it the first time out, like Eddy Merckx."

He thought about that for a bit and his voice was a shade stronger. "Of course I'm shooting victory," he admitted. "If you don't, why are all? You don't ride the Tour de France the experience."

Leaning back on the living-room couch, Lemond seemed relieved by his confession. Even if he won the world championship and the Prestige Period award as the season's "ranked cyclist" last year, Lemond, one of two teenagers racing professionally in Europe, meditated to deal with his zest for victory. He shed second in the world championships in 1982, leading a final sprint that overtook Jack Ver, a fellow American, and gave the victory

to an Italian, Giuseppe Saroni. Refusing to apologize for possibly depriving Boyer of victory, Lemond voiced regrets only that he had not won himself.

Asked now if he could be happy racing but not winning, he said: "No, probably not. This is my life. I'm doing it to make money for later and if I don't, then I'm doing it for nothing."

Still, victory seems not to be absolutely everything to him. He said he much prefers the method of Bernard Hinault, four times a winner in the Tour de France and another favorite this year, to those of Eddy Merckx, who won five Tours while dominating cycling nearly a decade ago. "Hinault picks his objectives," Lemond explained, "he doesn't try to win everything." Because of his zeal to triumph in every race he entered, Merckx was nicknamed "The Cannibal."

"I'm not a cannibal," Lemond said. "In past years, riders sacrificed their health and longevity to win everything, to race from February through October. I think you've got to rest and recuperate between races. I'm not a cannibal because I have a different mentality, maybe because I'm an American."

Being an American in Europe makes many differences for Lemond, a native of Los Angeles who grew up in Nevada, and his wife, a native of La Crosse, Wisconsin. They have lived in Europe since 1980, shortly after they met in her hometown when Lemond trained there with the U.S. team preparing vainly for the Olympic Games in Moscow.

The Lemonds settled first in Nantes, in western France, to be near the manager of the Renault-Gitane team, Cyrille Guimard. "We lived in Nantes for two years and I saw Guimard maybe once," Lemond remembered. Nantes had other disappointments for him. "I'm still totally American," he said, "I like to go to McDonald's. You can't find one in Nantes. Nantes was totally French. There wasn't even the once-a-week movie in English."

Two years ago the Lemonds moved, first considering Paris but then deciding on Kortrijk. About five miles inside Belgium from the French border, it is the sort of town where the main square is sometimes closed to traffic in the summer so that people can nurse a beer at an outdoor cafe and listen to a band concert.

Like most well-known athletes, Lemond is in great demand. "Everybody wants to claim you," he said, "to invite you to dinner or to parties. We usually have to turn them down. If I did everything everybody calls up to do, my cycling would go downhill."

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Kortrijk has other advantages, the Lemonds feel. "Everybody in Belgium speaks English," he asserted, although his French gets better every year. "My French is funny since I learned it from French racers. I guess I speak the dirtiest language in the world. But it's still hard, with the language barrier on the team." The television set in a corner of the Lemond living room brings in 15 channels, including the BBC and a subscriber service from across the Channel that prints the news, including sports, in English.

"Another nice thing about Belgium, besides the English, is that you can get all these American products in the stores: root beer, Mexican taco shells, those little things that help your stay here."

Finally, he said, "Belgium is centrally located. Because of all the spring races in Belgium and the Netherlands and the criteriums [one-day races] all year round, by living here I end up spending two more months a year at home than I would by living in France."

Being at home is especially important to the Lemonds since the birth of their son, Geoffrey, in February. The family lives in a quiet street with a suburban air, resting a grey-brick two-story house with a small lawn in front and a big backyard with a few Corncorn plants. "Those are piton pines, imported from Nevada," Lemond joked.

Inside, the house could belong to any young American executive. The books are by Le Carré, Forsyth, Clavell and Ambler. There is barely a hint that the 5-foot, 10-inch (1.78-meter), 150-pound (68-kilogram) Lemond is a professional cyclist and the world champion except for a pile of Renault-Gitane jerseys next to the washing machine, some cycling magazines under the coffee table and a small photograph on the mantle. It shows Lemond, in a business suit and tie, surrounded by an Italian youngsters' cycling team, and is inscribed in gratitude and respect for his appearance.

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celebrity. "I told the neighbors we might be moving near Antwerp, mostly for the bilingual schools, English and French, when the baby begins going to school. They said, 'No, no, you can't.' It's not that I'm famous here, but a lot of people know who I am."

He is often greeted by total strangers, he said, while he rides along the Kortrijk canal on the way to his daily training run. "It takes about two or three minutes to get out of town on a bike. You can never get into the country in Belgium because it's all villages, but I head toward the hilly section of Flanders. I try to stay out for 4 or 5 hours a day, which is about 120 or 130 kilometers."

"If I raced a lot,

